

2023

ZORLU HOLDING SUSTAINABILITY REPORT

Together
We Have A Future

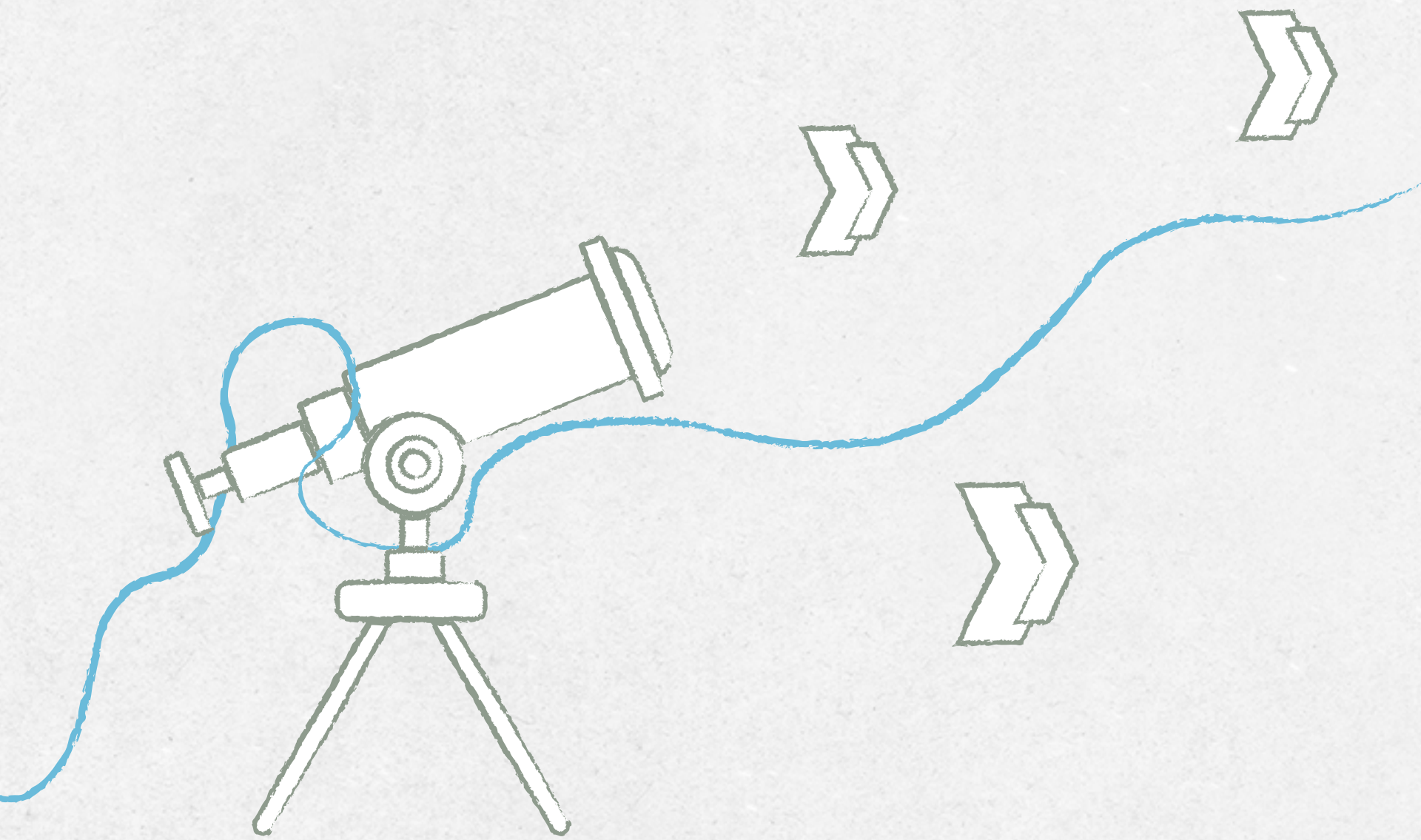


Smart Life
ZORLU 2030

* Illustrated by
Başak Aydın Notz
for Zorlu Holding
Sustainability Report.

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ABOUT the REPORT

At Zorlu Holding, we transparently share our environmental, social and governance (ESG) performance with all our stakeholders through our annual Sustainability Report. Drawn up in accordance with the GRI (Global Reporting Initiative) Standards, the report encompasses the Smart Life 2030 strategy, our sustainability priorities and our performance in this context. Our report both highlights our efforts in supporting the United Nations (UN) Sustainable Development Goals (SDGs), and also serves as our communication in progress under the United Nations Global Compact (UNGC). Throughout the reporting process, we have taken as a basis the Turkish Sustainability Reporting Standards (TSRS) 1, General Provisions on the Disclosure of Sustainability-Related Financial Information and TSRS 2 Climate-related Disclosures. Under the report, we also share the disclosures drawn up in line with the recommendations of the Task Force on Climate-Related Disclosures (TCFD).

For inquiries, opinions and suggestions regarding the report, please contact us via: AkilliHayat2030@zorlu.com

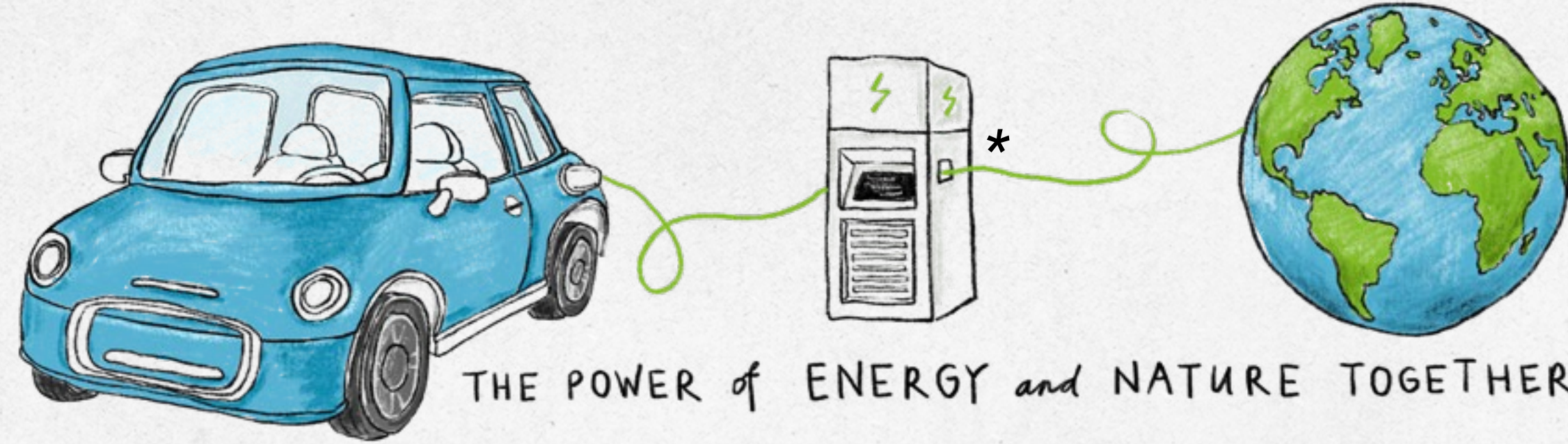
SCOPE

This report comprehensively covers the operations where our impacts are significant, encompassing the consolidated data of the following entities pertaining to the period of January 1 to December 31, 2023: Zorlu Holding A.Ş., Vestel Group of Companies (Vestel Elektronik Sanayi ve Ticaret A.Ş., Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.), Zorlu Energy Group, Zorlu Textiles Group (Korteks Mensucat Sanayi ve Tic. A.Ş., Zorluteks Tekstil Ticaret ve Sanayi A.Ş.), Meta Nikel Kobalt A.Ş. (Meta Nikel) and Zorlu Real Estate Group (Zorlu Gayrimenkul Geliştirme ve Yatırım A.Ş., Zorlu Yapı Yatırım A.Ş., and Zorlu Performing Arts Center).

Please refer to [Vestel Group of Companies](#) and [Zorlu Energy Group's](#) integrated annual reports on their websites for detailed information on our group companies.



ZORLU HOLDING'S SUSTAINABILITY JOURNEY



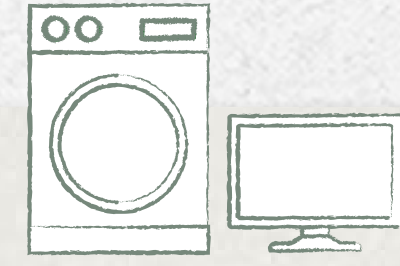
1953	1976	1989	1990	1993	1994	1997	1999	2000	2003	2006	2007	2009	2012	2013	2015	2016	2017	2018	2019	2020	2021	2022	2023
Founded by Mehmet Zorlu with the establishment of Zorlu Mensucat Denizli , Zorlu Holding starts its activities in the textile sector.	Korteks Velvet Weaving Plant is established in Bursa.	Korteks Yarn Factory is established.	Korteks Polyester Yarn Factory , Europe's largest integrated polyester yarn manufacturer and exporter, begins production in 1990.	Zorlu Enerji is founded to meet the energy and steam needs of Zorlu Group's industrial enterprises.	Vestel Elektronik joins Zorlu Group.	Vestel Beyaz Eşya is founded.	Mehmet Zorlu Education, Health, Culture and Solidary Foundation (MZF) is established.	20% of Zorlu Enerji's shares are offered to the public and started to be traded on Borsa Istanbul.	The Zorlu Group celebrates its 50 th anniversary. Vestel City is established.	Zorlu Gayrimenkul is established. 31.5% of Vestel Beyaz Eşya's shares are offered to the public and started to be traded on Borsa Istanbul.	Meta Nikel Kobalt Madencilik , which started its activities in 2000, joins Zorlu Group. Zorlu Holding signs the United Nations Global Compact .	Zorlu Holding publishes its first UNGC Communication on Progress (CoP) Report covering the 2007-2009 period.	Zorlu Faktoring begins operations.	Türkiye's first mixed-use project, Zorlu Center is opened in 2008 as a shopping mall, residence, office, hotel and performing arts center.	Zorlu Holding signs the United Nations Women's Empowerment Principles (WEPs) , institutionalizing its support for empowering women in the society, business, and the economy.	Vestel Beyaz Eşya and Zorlu Enerji voluntarily join Borsa Istanbul's BIST Sustainability Index for the November 2016 - October 2017 period. Zorlu Enerji Group's Sarıtepe and Demirciler Wind Power Plants (WPPs) become operational. Zorluteks R&D Center is established.	Zorlu Enerji becomes the only authorized distributor of the US-based First Solar across 26 countries. Zorluteks becomes the first home textiles company in Turkey to receive the "Authorized Economic Operator" Certificate. Zorlu Holding becomes a member of the Business Council for Sustainable Development Turkey (SKD Turkey) .	Zorluteks is awarded the highest score in the Business Social Compliance Initiative (BSCI) for its performance in sustainable working conditions. Zorlu Enerji's electric charging station brand, ZES , is launched to establish Turkey's electric vehicle infrastructure and reduce carbon emissions, especially in urban areas. The second unit of the Kızıldere III Geothermal Power Plant (65.5 MW) is commissioned. The rehabilitation works to increase the installed capacity of the Ikizdere Hydroelectric Power Plant from 18.6 MW to 24.94 MW is completed, and electricity production resumed at the plant. META Nickel Cobalt Mining is awarded the "R&D Center Certificate." The Zorlu Group's internal entrepreneurship program, Parlak Bi' Fikir (A Bright Idea) , is launched.	Zorlu Holding and Vestel becomes a signatory to the Business Plastic Initiative (BPI) . Vestel Beyaz Eşya extends its brand license agreement with Sharp Corporation to include smart products. Zorlu Enerji signs a contract to sell its 100% stake in Zorlu Rüzgar Enerjisi Elektrik Üretimi A.Ş. , which includes Sarıtepe and Demirciler WPPs in its portfolio. Zorlu Center receives the Albert Sussman International Social Support Award , the most prestigious award of the International Civil Service Commission (ICSC) , a subsidiary of the United Nations , for its " No Barriers at Zorlu " project. The Kıvılcıklar (Sparks) movement, consisting of volunteers from the Zorlu Group, is initiated. In collaboration with BÜYEM , the Smart Life Academy Sustainability 101 training for Zorlu Group employees commenced.	Zorlu Holding establishes the Gender Equality Manifesto . The Equal Life Glossary is created. The Domestic Violence Prevention Policy is developed. Zorlu Energy Solutions expands its electric vehicle charging station network to 81 cities thanks to its investments. Zorlu Enerji became one of the signatories of the United Nations Global Compact and the United Nations Women's Empowerment Principles (WEPs) within the framework of the Eşit Bi'Hayat (An Equal Life) approach. Vestel signs an agreement with Iberdrola , one of the world's largest electricity companies, to manufacture electric vehicle chargers for the charging stations to be installed by the company in the UK, Italy and Spain. Vestel breaks new ground by starting to produce battery packs for electric bicycles, and issues Türkiye's first green bond in TL to receive an international sustainability rating. Having completed the Sustainable Textile Production (STeP) certification process in its factories, Zorlu Tekstil starts producing with the " Made in Green " label, which can be used by those holding Standard 100 by Oeko-Tex and STeP by Oeko-Tex certificates. Established as part of the investments in circular economy, the Polymer Recycling Plant breaks new ground in Europe and Türkiye by manufacturing polyester yarn completely out of plastic bottles. Zorluteks certifies the energy used thereby within the scope of its cooperation with Zorlu Enerji with The International Renewable Energy Certificate (I-REC) .	Zorlu Holding announces its goals focused on 2030 and 2050 in the areas of environmental, social, and corporate governance (ESG) inline with the "Responsible Holding Investment" approach. The imece summit hosted by Zorlu Holding, is held with the theme of "Impact on the Future." The second cycle of the Zorlu Group's internal entrepreneurship program, Parlak Bi'Fikir (A Bright Idea) , is completed, and three ventures qualifies for investment. Through its Renewable Energy Commitment Letter , Zorlu Enerji sets a target to achieve 100% renewable energy in its total electricity generation by 2030, while also focusing on expanding and enhancing its renewable energy portfolio through diversification and development Vestel Elektronik, Vestel Beyaz Eşya and Zorlu Tekstil sign the UN Global Compact . Korteks becomes the world's first polyester yarn company to receive Environmental Product Declaration (EPD) certification by completing Life Cycle Assessment (LCA) studies in 4 different product categories. Zorlu Center and Levent 199 certify the energy used thereby with I-REC as part of their cooperation with Zorlu Energy Group. Zorlu Enerji sets a target of investing TL 10 million by 2030 to conserve and enhance biodiversity.	A corporate transformation project is initiated as part of Zorlu Group's journey to become a sustainable holding committed to environmental, social, and corporate governance principles. The Zorlu Family Council is established, and the Zorlu Holding Board of Directors is restructured with the inclusion of independent members. The Zorlu Holding Board Committees begin operating under new working principles, chaired by independent members. A General Secretariat unit is established to ensure coordination among the corporate governance bodies of the Zorlu Group. As part of the Eşit Bi'Hayat (An Equal Life) approach, foundational training is initiated to enhance the awareness and knowledge of all Zorlu Group employees regarding gender equality. Zorlu Holding Human Rights Policy is published. Vestel Elektronik achieves a 44% increase in its S&P Global ESG score, reaching 65 in 2022, leading to its inclusion in the S&P Global The Sustainability Yearbook 2023 as an "Industry Mover" as the company to make the most progress in its sector. Vestel Elektronik is included in the BIST Sustainability 25 Index. The Carbon Disclosure Project (CDP) climate change score of Vestel Elektronik and Vestel Beyaz Eşya factories rise to B and A-, respectively. Zorlu Enerji makes a commitment to limit the increase in greenhouse gas emissions to 1.5 C and becomes a pioneer in its sector by joining the Science Based Targets initiative (SBTi). Zorlu Enerji scores 61 points in the ESG assessment conducted by Moody's, reaching the "Advanced" level. With its ESG score, Vestel Elektronik secures the 4th position among the 57 evaluated energy companies, further establishing itself as a leading force in sustainability in the energy sector. Zorlu Enerji becomes a member of the Business Council for Sustainable Development Turkey (SKD Turkey) . Vestel Elektronik, Vestel Beyaz Eşya, and Zorlu Enerji publishes their first Integrated Annual Reports, sharing the latest outcomes of their 2021 activities, future plans, and roadmaps for achieving their goals. Zorlu Holding transitions to the Sustainability Data Management Platform . As Zorlu Holding, we become a founding member of the Global Compact Network Turkey .	Zorlu Enerji and Vestel applied to the Bloomberg Gender Equality Index . Zorlu Enerji and Vestel start preparing their decarbonization plans. The mandatory Gender Equality E-Training covering the entire Zorlu Group is made available to external stakeholders. For Zorlu Holding and Zorlu Tekstil, a due diligence and benchmark analysis is conducted. Vestel, Zorlu Enerji, Zorlu Gayrimenkul, Zorluteks and Hometeks receive the Equal Opportunity Model (FEM) Certificate from the Women Entrepreneurs Association of Türkiye (KAGİDER). Vestel Elektronik becomes a signatory to the UN Women's Empowerment Principles . Meta Nikel becomes a member of the European Water Committee (Water Europe) , which develops innovative solutions in the field of water management. Zorlu Enerji announces commitment to Forward Faster , an initiative of the UN Global Compact . Zorlu Enerji is included in the BIST Sustainability 25 Index. Zorlu Enerji's score in CDP's climate change category rises to A-. Vestel Elektronik ranks in the top 10% of the companies with the highest score in the S&P Global The Sustainability Yearbook-2024. Under the "Reborn" collection, Zorluteks launches its first products with a reduced carbon footprint.

ZORLU HOLDING VALUE CHAIN

Zorlu Group, one of Türkiye's largest job creators and one of the country's top seven exporters, operates in textiles, electronics, white goods and telecommunications, energy, real estate, mining and metallurgy.



VESTEL GROUP OF COMPANIES



Vestel Group of Companies, which operates in the electronics, white goods and telecommunications sectors and has been the export champion of the electronics sector for **25 years, consists of 25 companies**, 16 of which are overseas. Vestel City, the production center in Manisa, is one of Europe's largest industrial complexes with production in a single location.

- 18,767 employees, 35% of whom are women and 21% white-collar
- Total 342,131 person x hours of employee training
- 3,515 suppliers, 72% of which are local
- A total of 11,189 person x hours of training for 2,949 participants including Vestel and Regal business partners and Zorlu Holding employees
- More than 1 million individual and more than 2,300 corporate customers across Türkiye
- R&D and innovation-oriented 1,821 employees and a budget of TL 2.3 billion
- 153 patent applications, 150 patent registrations
- Türkiye's 3rd most valuable brand (Brand Finance)
- Exports to more than 160 countries, Türkiye's sixth largest exporter
- 11 foreign trade offices
- 1,363 Vestel stores in Türkiye
- Nearly 2,500 stores and sales points abroad

ZORLU ENERGY GROUP



In addition to its activities in electricity generation, transmission and distribution, natural gas trade and distribution, **Zorlu Energy Group** offers end-to-end services in solar panel trading, electric vehicle charging station sales, installation and operation, and electric vehicle leasing.

- 2,801 employees, 19% of whom are women
- Total 19,104 person x hours of employee training
- 1,858 suppliers, 37% of which are local
- 3,037,895 customers
- 10 employees focused on R&D, innovation and infrastructure and a budget of more than TL 26 million
- A total installed capacity of 996,15 MW
- 5 natural gas, 4 geothermal, 2 wind, 1 solar and 7 hydroelectric power plants
- With the newly installed ZES electric charging stations during the year, more than 4 thousand sockets in nearly 2 thousand locations by the end of 2023
- Operating in 22 countries in Europe with Electrip brand

ZORLU TEXTILES GROUP



Zorlu Textiles Group, one of the largest integrated polyester yarn and cotton home textile manufacturers in Europe, continues to engage in operations through **12 companies**. Thanks to its product diversity, today it alone meets 17% of Türkiye's yarn need. Zorlu Tekstil carries out its production activities at its factories in Bursa and Lüleburgaz.

- Korteks plant with an indoor area of 36 thousand square meters
- Zorluteks' home textile production facilities with an indoor area of 108 thousand square meters
- Zorluteks curtain factory with an indoor area of 60 thousand square meters
- 4,730 employees, 26% of whom are women
- Total 55,191 person x hours of employee training
- 2,033 suppliers, 88% of which are local
- 2,423,980 customers, 5,822 of which are B2B customers
- R&D and innovation-oriented 115 employees and a budget of TL 95 billion
- Exporting to more than 60 countries in 5 continents with Korteks
- Exporting to 51 countries in 5 continents with Zorluteks
- 50% ratio of exports within the turnover

META NIKEL



Boasting a production facility with a capacity of **10 thousand tons** of nickel metal in Gördes district of Manisa, **Meta Nikel** has nickel cobalt investment projects in Gördes, Eskişehir and Uşak, and mineral exploration studies in various regions.

- 727 employees, 10% of whom are women
- Total 3,605 person x hours of employee training
- 604 suppliers, 97% of which are local
- R&D and innovation-oriented 30 employees and a budget of TL 30 billion

ZORLU REAL ESTATE GROUP



Türkiye's **first 5-function** "mixed-use" project, **Zorlu Center** welcomes **12 million** visitors annually. **Zorlu Performing Arts Center (Zorlu PSM)**, built by Zorlu Group with an investment of **USD 300 million**, is among the largest and best-equipped performing arts centers in Europe as an institution that aims to contribute to Türkiye's culture and arts life. Designed as an environmentally friendly building with an electric car park, bicycle park and a total of **10 thousand** square meters of green space and including the offices of Zorlu Group companies, **Levent 199** brings a new perspective to office projects.

- 561 employees, 30% of whom are women
- Total 4,815 person x hours of employee training
- 488 local suppliers
- 12,892,203 annual visitors/customers at Zorlu Center Shopping Mall
- 958 shows and 1,000,000 art lovers at Zorlu PSM

MESSAGE FROM *the* CEO



Ömer Yüngül
CEO

ESTEEMED STAKEHOLDERS,

We started 2023, the 100th anniversary of our Republic, with excitement, enthusiasm and pride. The legacy left to us by Gazi Mustafa Kemal Atatürk, the Founder of the Republic of Türkiye, is so strong that even today, 100 years later, it inspires us in many areas that are the lifeblood of society, from business to social life.

As Zorlu Group, we were proud of completing our 70th anniversary in 2023. Following in the footsteps of our ancestor, we are a Group that has come to this day with an entrepreneurial spirit and under the leadership of science, technology and innovation. We draw the greatest strength from the founding values of our Republic in every step we take and in all the successes we achieve. All our projects and investments are the result of our belief in Türkiye's economy and future. We will keep alive this legacy that gives us strength and strive to create new hopes for the future with the products, solutions and social services we offer.

As we started 2023 with these feelings, we were overwhelmed with deep sadness and pain due to the earthquakes on February 6. We again wish Allah's mercy to those who lost their lives in the earthquake and patience to their relatives. It is not easy to heal the wounds, but we know very well that there is nothing we cannot overcome by joining hands and joining forces. As Zorlu Group, we have worked and continue to work with all our strength to contribute to the improvement of living conditions in the earthquake-affected regions, based on the culture of solidarity and cooperation we have adopted for a better and sustainable future.

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”

DEAR STAKEHOLDERS,

While wars prevail in various parts of the world and in our immediate region, and new developments are being added, the world's record on climate continues to weaken. The Sustainable Development Report¹, published by the United Nations Sustainable Development Solutions Network, reveals that achievement of the Sustainable Development Goals (SDGs) has stagnated. In fact, the world risks losing the progress it has made in achieving the SDGs.

The United Nations report² also emphasizes that progress on the SDGs is at stake. Due to the impacts of climate change, conflicts and the global economic landscape, contributions to the SDGs have not been as high as expected worldwide. While the results are alarming, the report says there is still time until 2030 and we can change this situation. If we collaborate and use technology, knowledge and resources to achieve the SDGs, the dream of a better world is not far away.

National agendas and geopolitical conflicts are compounded by the human and economic impact of inflation, cost of living, record temperatures, droughts, floods and forest fires. According to the 2024 edition of the Global Risks Report³, published annually by the World Economic Forum (WEF), misinformation and disinformation, which have entered our lives with the rapid development of technology, are considered as the biggest global risks of the next 2 years. Extreme weather events and social polarization are among the key risks. In the 2-year horizon, other global risks include cyber insecurity, interstate armed conflict, lack of economic opportunity, inflation, involuntary migration, economic downturn and pollution.

Amidst this negative outlook, there are also developments that give reason for optimism. According to the final declaration of the COP28: 2023 Climate Change Conference in Dubai, all parties committed to move away from the use of fossil fuels. This decision to limit global warming to 1.5 degrees has been described as "the beginning of the end" for fossil fuels.⁴ In addition, 118 countries pledged to triple the installed capacity of renewable energy and double energy efficiency by 2030.

On the other hand, companies' sustainability reporting obligations are increasing. In June, the International Sustainability Standards Board (ISSB) published IFRS S1 and S2 global sustainability reporting standards and set 2024 as the reporting period. Türkiye adapted IFRS S1 and S2 standards and according to the Turkish Sustainability Reporting Standards (TSRS 1 and TSRS 2) and "Board Resolutions on the Scope of Implementation" published in the Official Gazette on December 29, 2023, sustainability reporting in Türkiye became mandatory as of January 1, 2024 for the companies subject to the specified scope.⁵

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DUE TO THE IMPACTS OF CLIMATE CHANGE, CONFLICTS AND THE GLOBAL ECONOMIC LANDSCAPE, CONTRIBUTIONS TO THE SDGS HAVE NOT BEEN AS HIGH AS EXPECTED WORLDWIDE. WHILE THE RESULTS ARE ALARMING, THE REPORT SAYS THERE IS STILL TIME UNTIL 2030 AND WE CAN CHANGE THIS SITUATION.

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- 1 [Sustainable Development Report 2023](#)
- 2 [UN Sustainable Development Goals Report 2023](#)
- 3 [WEF Global Risks Report 2024](#)
- 4 [COP 28 Decisions](#)
- 5 [Board Resolution on the Scope of Implementation of TSRS](#)

ESTEEMED STAKEHOLDERS,

The succession of economic, social and environmental crises in recent years has reminded us again of the importance of being resilient to uncertainty. Companies need to follow a holistic strategy to emerge from global crises unscathed, adapt to the future and increase their success by making the right use of opportunities.

In line with the Smart Life 2030 strategy we have developed as Zorlu Group, we put sustainability at the center of our business and adopt an integrated approach. We prioritize doing what is good for the world, society and the environment. We are constantly working for a better future and a more equal and just world. With all our financial and non-financial assets that we manage in accordance with corporate governance principles, we are taking firm steps forward with the goal of sustainable growth in the long term.

As an export-oriented Group, we adhere to a growth approach that prioritizes diversification and resilience, proactively anticipating risks and opportunities while continually our robust financial structure. Despite changing conditions globally and in Türkiye, as Zorlu Holding, we had a successful year of activity in 2023 by effectively managing our potfolyo. In 2023 our inflation-adjusted revenue reached to 163.5 billion TL. Our international sales revenue, which constitutes 52.4% of our total sales, amounted to 2.9 billion USD. Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) was 27.1 billion TL, with an EBITDA margin of 16.6%.

We monitor the long-term sustainability goals set under the headings of “Human-Oriented Ecosystems” and “Regenerative Business Models”, which are our focus areas, on a quarterly and annual basis, and transparently report our performance against these goals.

We aim to reach net zero in Scope 1 and 2 emissions by 2030 and Scope 1, 2 and 3 emissions by 2050. We support our group companies along their decarbonization journeys. In 2023, we reduced absolute greenhouse gas emissions by 15% year-on-year in Scope 1, 2 and 3 emissions.

We believe that resilience to crises is possible through multi-stakeholder collaborations and disruptive innovation. With this awareness, Zorlu Group strengthens its collaborations with the private sector, public sector, academia and non-governmental organizations, while focusing on innovation in the sectors in which we operate, and conducting comprehensive R&D studies by closely following developments such as Industry 4.0, digitalization, big data and artificial intelligence. 2023, we nearly doubled the budget allocated to R&D and innovation and invested TL 2.4 billion, equivalent to 9% of EBITDA.

The determined sustainability approach adopted by Zorlu Group is reflected in the ESG assessments of group companies conducted by reputable sustainability organizations. According to the evaluation conducted by Refinitiv, a global financial market data and infrastructure provider, on behalf of Borsa Istanbul, Vestel Elektronik and Vestel Beyaz Eşya ranked among the best in S&P Global's lists. Both companies scored 65 points each in S&P Global's 2023 lists, which evaluate the sustainability practices of over 13,000 companies across 62 sectors worldwide through sector-specific surveys. Vestel Beyaz Eşya was ranked as the second highest-rated company in the Major Household Appliances sector, while Vestel Elektronik ranked third in the Electronics sector. In recognition of these achievements, Vestel companies were included in the S&P Global The Sustainability Yearbook 2024, while Vestel Elektronik also ranked in the top 10% of the sector's best performing companies.

In 2023, Zorlu Enerji, together with Vestel, reached A- (Leadership) level within the scope of the CDP Climate Change Program. It also published the first CDP Forests Report in the sector, once again proving its leadership in sustainability. In CDP's 2023 Supplier Relations Assessment, it received an A grade and took its place among the SER (Supplier Relations Rating) leaders. Zorlu Enerji was included in the BIST Sustainability 25 Index including publicly traded companies with the highest ESG performance this year following Vestel's entry in 2022.

Vestel Elektronik, Vestel Beyaz Eşya and Zorlu Enerji are also publishing Integrated Annual Reports starting in 2021, sharing the current outputs of their activities and their future plans to achieve their top goals.



“

2023, WE NEARLY
DOUBLED THE
BUDGET ALLOCATED
TO R&D AND
INNOVATION
AND INVESTED
TL 2.4 BILLION,
EQUIVALENT TO 9%
OF EBITDA.

”

ESTEEMED STAKEHOLDERS,

As Zorlu Group, we are proud of celebrating the centennial anniversary of our Republic and the 70th anniversary of our Group, and in this important year, we have launched a very meaningful and valuable project for us. With the contributions of Zorlu Holding and Group companies, we performed the musical “1923”, a co-production of Çolpan İlhan & Sadri Alışık Theater, Piu Entertainment and Zorlu PSM. I believe that 1923 will leave a deep impression on all individuals of our country, especially young people, and I think it will inspire us all to better understand and keep alive the values of the Republic and to protect them more. On this occasion, I would like to share our great pleasure to have left a lasting legacy to Atatürk’s greatest work, the Republic, from Zorlu Group.

Having such a deep-rooted history not only honors us, but also burdens us with great responsibilities. At Zorlu Holding, we act with the awareness that the business world must assume active responsibility in achieving global goals and ensuring social and economic prosperity. We continue to expand our sphere of influence with the values created by our business partners, suppliers and all our stakeholders, especially you, our most valuable stakeholder, with common sense and labor, and with increasing momentum day by day.

We will continue to work with our Group companies to achieve a more sustainable and livable world with the strength we derive from the Smart Life 2030 vision, with the hope that the sustainability efforts we carry out with the “responsible investment holding” approach we have adopted will create value for you, our valuable stakeholders, the society we live in and the land we were born and raised in.

I would like to extend my sincere thanks to all our stakeholders in our value chain, especially my colleagues who have walked with us along this journey.

Best regards,

Ömer Yüngül

CEO

SMART LIFE 2030



SMART WORLD, SMART LIFE

SMART LIFE 2030

At Zorlu Holding, we respond to the risks and opportunities brought about by global trends with our Smart Life 2030 strategy to create value for all our stakeholders. We are making our business, team, community, partners, customers and suppliers more resilient and adaptable to change. With our strategy based on the responsible investment holding approach, we position ourselves as a stakeholder in solving global issues by leveraging the power of technology and innovation.

In implementing the Smart Life 2030 strategy, we go beyond conventional corporate collaborations, focus on social and environmental improvement, and embrace innovation as key components of our strategy through radical collaborations that aim to strengthen the ecosystem in Türkiye.

You can find our Smart Life 2030 Manifesto [here](#).



WE CREATE VALUE THROUGH RADICAL COLLABORATIONS BY BUILDING HUMAN-ORIENTED ECOSYSTEMS AND REGENERATIVE BUSINESS MODELS

Human-Oriented Ecosystems

- » Employee Satisfaction
- » Future of Work
- » Inclusive Value Chain
- » Community Investments

Regenerative Business Models

- » Combating the Climate Crisis
- » Circularity

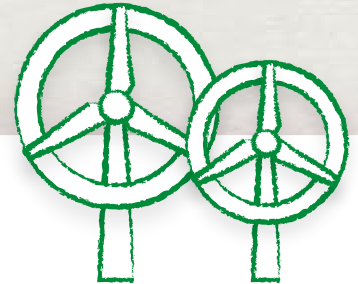
RADICAL COLLABORATIONS

INTEGRATED MANAGEMENT APPROACH


- » Corporate Risk Management
- » Integrated Value Creation


Smart Life
 2030

2023 ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PERFORMANCE

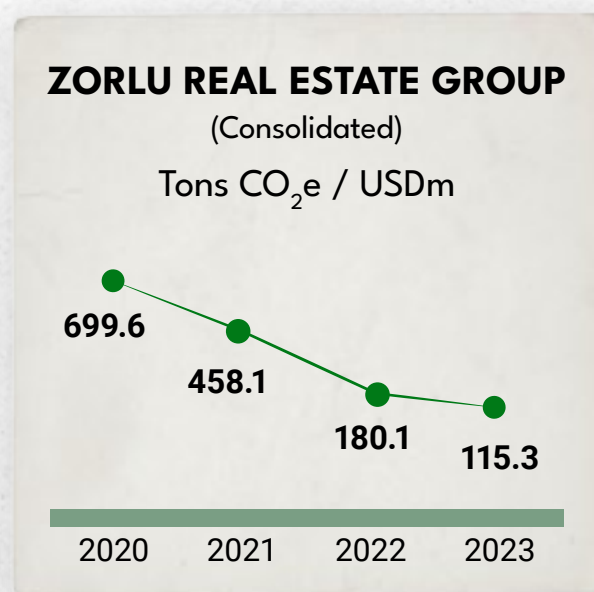
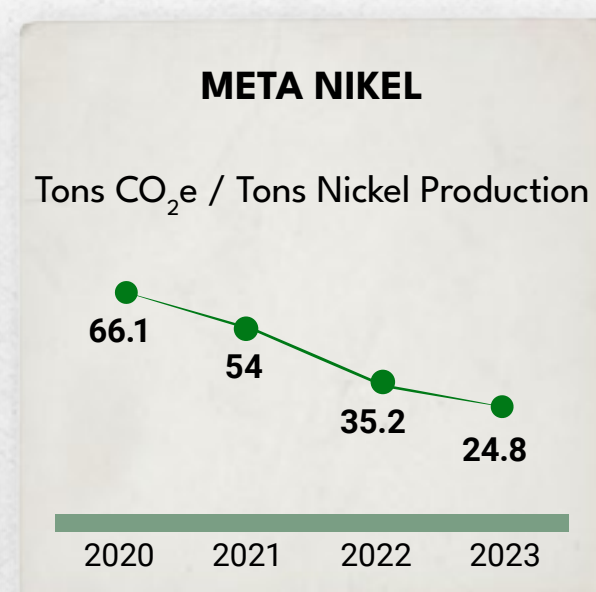
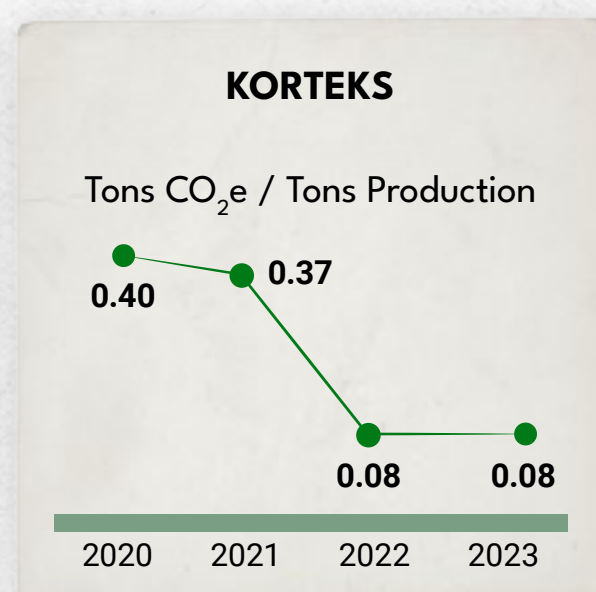
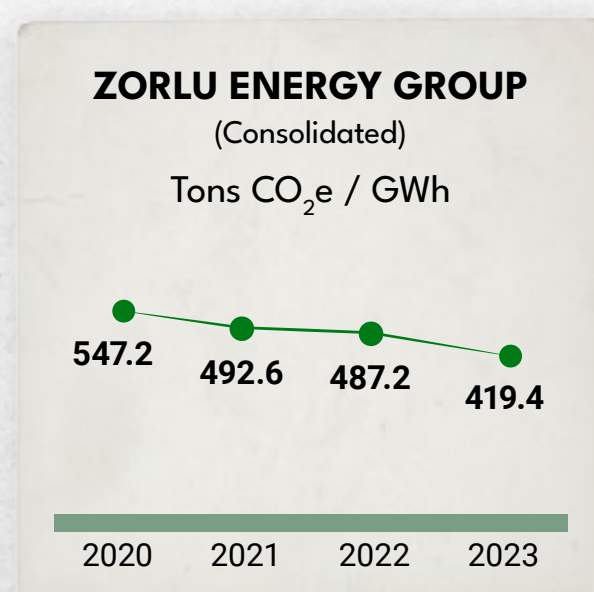
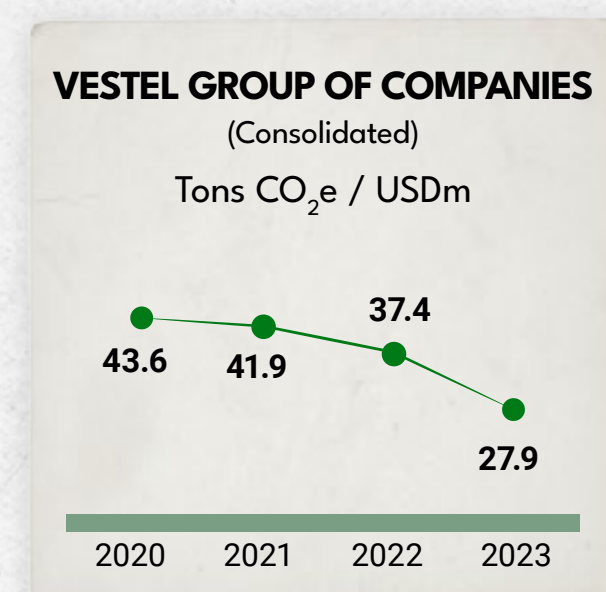
REGENERATIVE BUSINESS MODELS					
Goal	Company	KPI*	2023 Performance	Progress**	
 <p>NET ZERO EMISSIONS IN SCOPE 1-2 BY 2030 AND ACROSS THE ENTIRE VALUE CHAIN (SCOPE 1-2-3) BY 2050.</p>	Vestel Group of Companies	Carbon intensity (tons CO ₂ e/USDm)	27.9	Progress	
	Zorlu Energy Group***	Carbon intensity (tons CO ₂ e/GWh)	419.4	Progress	
	Zorlu Textiles Group	Zorluteks	Carbon intensity (tons CO ₂ e/tons production)	1.2	Inadequate
		Korteks	Carbon intensity (tons CO ₂ e/tons production)	0.08	Inadequate
	Meta Nikel	Carbon intensity (tons CO ₂ e/tons nickel production)	24.8	Progress	
	Zorlu Real Estate Group	Carbon intensity (tons CO ₂ e/USDm)	115.3	Progress	
	Zorlu Holding	Carbon intensity (tons CO ₂ e/USDm)	24	Inadequate	

* Scope 1 and 2 were used in carbon intensity calculations.

** : Indicates progress towards the target.

: Indicates inadequate performance or lack of progress towards the target.

*** Since carbon intensity is calculated based on gross energy production, OEDAŞ and GAZDAŞ are not included in the emission data.



REGENERATIVE BUSINESS MODELS

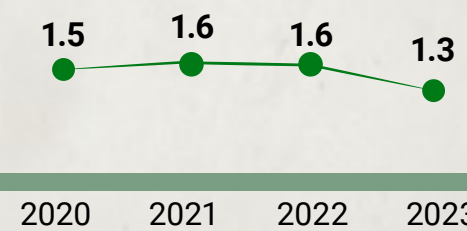
Goal	Company	KPI*	2023 Performance	Progress	
 <p>50% REDUCTION IN WASTE BY 2030, ZERO WASTE BY 2050.</p>	Vestel Group of Companies	Intensity of waste disposed (tons/USDm)	1.3	██████████	
	Zorlu Energy Group	Intensity of waste disposed (tons/GWh)	0.7	██████████	
	Zorlu Textiles Group	Zorluteks	Intensity of waste disposed (tons/tons production)	0.09	□
		Korteks	Intensity of waste disposed (tons/tons production)	0.0006	□
	Meta Nikel	Intensity of waste disposed (tons/tons nickel production)	178	██████████	
	Zorlu Real Estate Group	Intensity of waste disposed (tons/USDm)	12.1	██████████	
	Zorlu Holding	Intensity of waste disposed (tons/USDm)	0.4	□	

*
Disposed waste amount refers to the sum of waste sent to landfill, waste incinerated for energy purposes and waste incinerated for non-energy purposes.

VESTEL GROUP OF COMPANIES

(Consolidated)

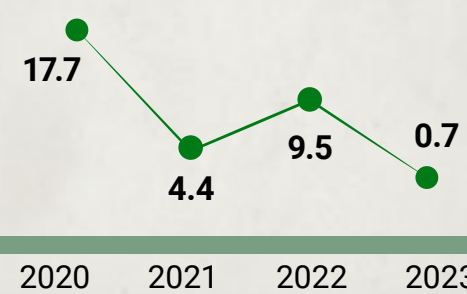
Intensity of waste disposed
(tons/USDm)



ZORLU ENERGY GROUP

(Consolidated)

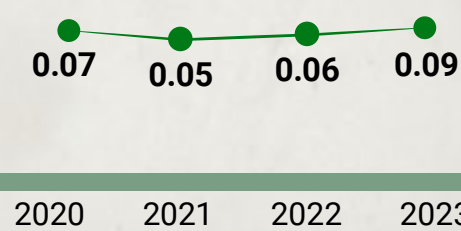
Intensity of waste disposed
(tons/GWh)



ZORLU TEXTILES GROUP

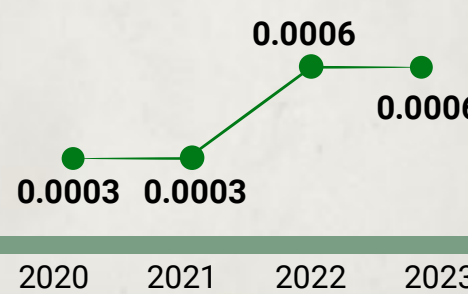
(Consolidated)

Intensity of waste disposed
(tons/tons production)



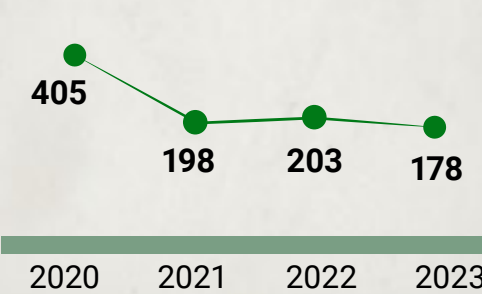
KORTEKS

Intensity of waste disposed
(tons/tons production)



META NIKEL

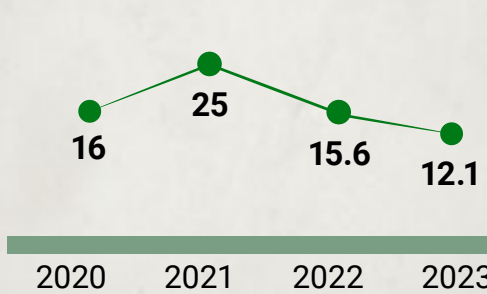
Intensity of waste disposed
(tons/tons nickel production)



ZORLU REAL ESTATE GROUP

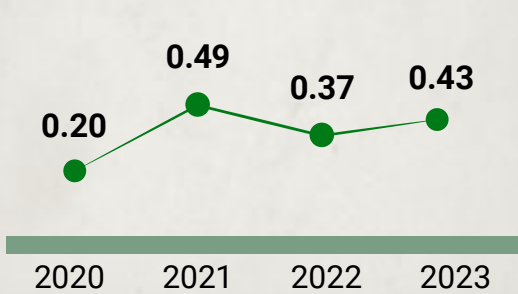
(Consolidated)

Intensity of waste disposed
(tons/USDm)

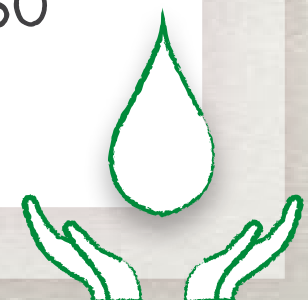


ZORLU HOLDING

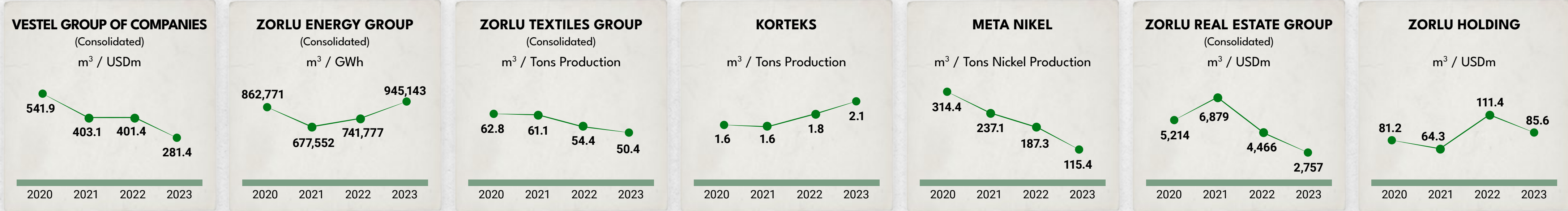
Intensity of waste disposed
(tons/USDm)



REGENERATIVE BUSINESS MODELS

Goal	Company	KPI*	2023 Performance	Progress	
 <p>To RECOVER 50% OF THE WATER USED BY 2030 AND ALL OF IT BY 2050</p>	Vestel Group of Companies	Water intensity (m ³ /USDm)	281.4	████████	
	Zorlu Energy Group	Water intensity (m ³ /GWh)	945,142	□	
	Zorlu Textiles Group	Zorluteks	Water intensity (m ³ /tons production)	50.4	████████
		Korteks	Water intensity (m ³ /tons production)	2.1	□
	Meta Nikel	Water intensity (m ³ /tons nickel production)	115	████████	
	Zorlu Real Estate Group	Water intensity (m ³ /USDm)	2,757	████████	
	Zorlu Holding	Water intensity (m ³ /USDm)	86	████████	

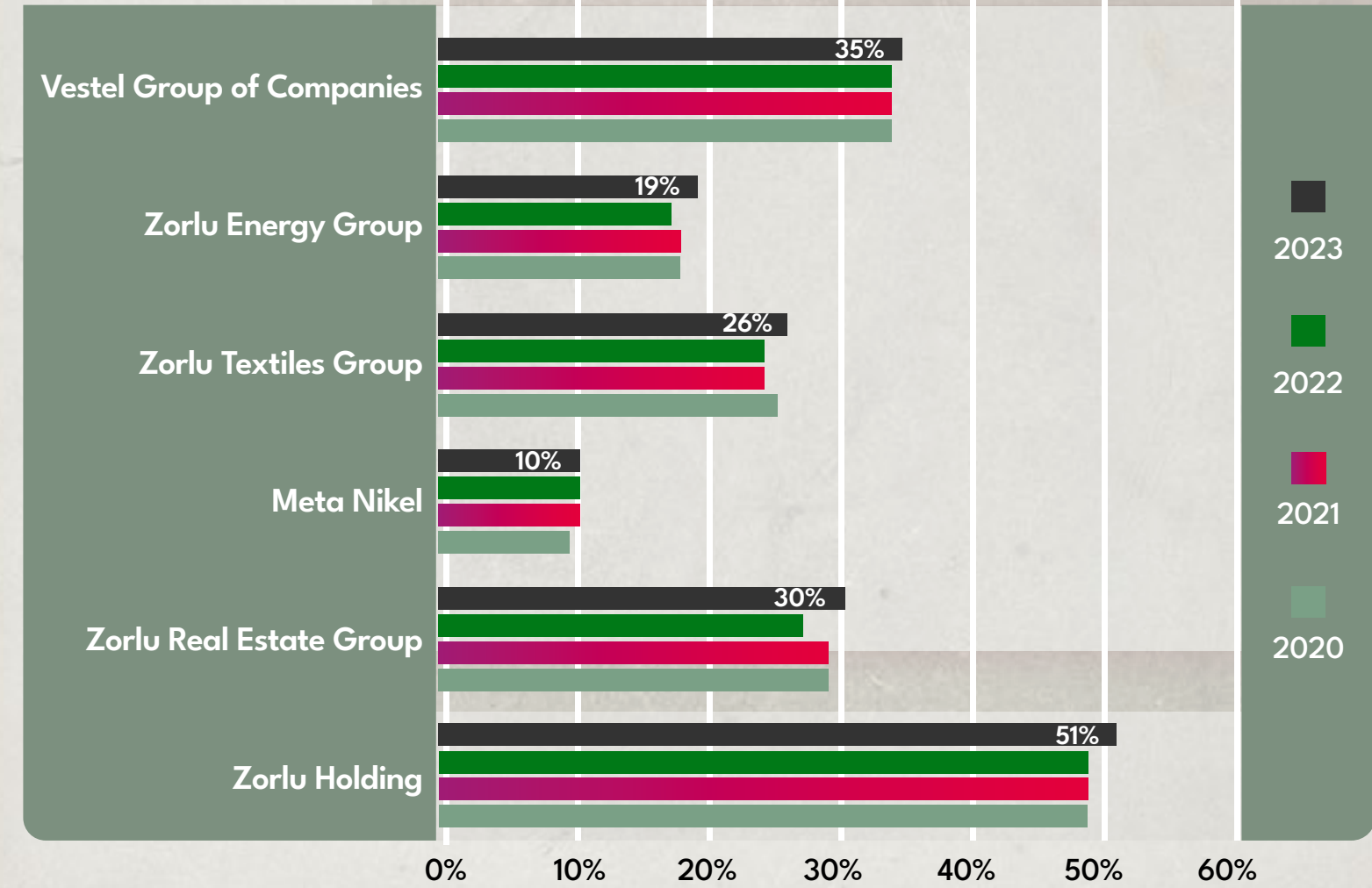
* While efforts to monitor water recovery across Zorlu Group are under way, the intensity of water use identified according to sectoral parameters is monitored through water with draws.



HUMAN-ORIENTED ECOSYSTEMS

Goal	Company	KPI	2023 Performance	Progress
<p>To INVEST IN THE FUTURE OF BUSINESS AND TO BECOME A LEADER OF INCLUSION AND DIVERSITY</p> 	Vestel Group of Companies	Share of female employees (%)	35%	██████████
	Zorlu Energy Group		19%	██████████
<p>To BE AMONG THE MOST PREFERRED COMPANIES IN ALL SECTORS</p>	Zorlu Textiles Group		26%	██████████
	Meta Nikel		10%	□
	Zorlu Real Estate Group		30%	██████████
	Zorlu Holding		51%	██████████

SHARE OF FEMALE EMPLOYEES



Goal

To HAVE A 100% SUSTAINABLE SUPPLY CHAIN BY 2030 (PRIMARILY STRATEGIC SUPPLIERS)



Progress

- We are mainstreaming the [Zorlu Holding Supply Chain Principles](#) (Zorlu Holding Supplier Code of Conduct), which we published in 2021 and require the entire Zorlu Group and suppliers to fully comply therewith.
- Group companies reviewed their suppliers and identified the strategic ones. We are introducing audit and control mechanisms to boost traceability and sustainability in the supply chain.

Goal

To BECOME A PIONEER IN SOCIAL INVESTMENTS AND TO ALLOCATE 1% OF ZORLU HOLDING'S EBITDA EVERY YEAR TO SUSTAINABLE DEVELOPMENT GOALS



Company

Zorlu Holding (Consolidated)

KPI*

Share of EBITDA allocated to social investments

2022

0.5%

2023

1%

Progress



SUSTAINABILITY MANAGEMENT

At Zorlu Group, sustainability is embraced across the entire organization, from senior management to employees. The Sustainability Committee, which reports directly to the Board of Directors, is responsible for the Smart Life 2030 sustainability strategy, long-term goals and performance monitoring. The Sustainability Committee, chaired by an Independent Board Member, consists of four members in total: one shareholder representative, one independent member and one executive senior manager (CEO). The Committee holds regular meetings every 2 months and can also come together with a special agenda in line with the agenda and needs.

The Sustainability Committee convened 7 times in 2023. In these meetings, the following agenda items were discussed:

- Current ESG developments across the world and in Türkiye
- EU Legislation and current developments
- ESG index and CDP scores of Group companies, areas of improvement and awards received
- Information on the water crisis and the location and current status of production sites in the World Resource Institute's (WRI) Aqueduct Water Risk Atlas
- Outputs of the Gender Equality 2023 Status Report published by UN Women
- Results of the analysis of ESG potential and performance of Zorlu Holding's strategic business lines
- Outputs of Zorlu Holding sustainability maturity baseline and benchmark study

The most important outcomes of the meetings include the following:

- The performance of Group companies in line with the Smart Life 2030 goals is now monitored on a quarterly basis and dashboards that increase the visual clarity of the data are created and presented to the sector and Zorlu Holding's Board of Directors.
- Under the activities initiated last year to create decarbonization roadmaps for Zorlu Enerji and Vestel Group of Companies, more comprehensive plans are now developed through consultancy.
- We now assign sustainability targets to the C Level executives of Zorlu Holding and Group companies.
- Meta Nikel became a member of the Water Europe platform, which produces innovative solutions in the field of water management.

- A Sustainability Committee was established within the management structures of Group companies.

In parallel with the Sustainability Committee, the Sustainability Coordination Board (SCB) was established at the end of 2022 to present current developments and important high-level decisions to the committee agenda and to coordinate the activities of Holding functions and Group companies. SCB convenes under the leadership of Zorlu Holding Corporate Communications and Sustainability Department and reports directly to the Sustainability Committee. Chaired by Zorlu Holding's CEO and convened twice in 2023, the SCB consists of 14 members including Zorlu Holding's Executive Vice President for Internal Audit and Ethics, Human Resources Director, Executive Vice President for Corporate Communications and Sustainability, Executive Vice President for Corporate Risk Management, Strategy and Business Development Director, Corporate Communications Manager, Purchasing Manager, Sustainability Manager, Sustainability Executive and sustainability coordinators of all Group companies.

Special working groups can be established when sustainability-oriented issues need to be addressed within the Group. The chairperson and members of these groups are appointed by the SCB and report to the SCB.

ESG Leadership of Group Companies

Supported by the sustainability approach adopted by Zorlu Group, its goals and the efforts undertaken to achieve these goals, and accelerating its efforts to integrate ESG issues into all business processes, Group companies are listed in local and international sustainability indices and improve their performance and raise their scores.

In 2023, Vestel Elektronik and Vestel Beyaz Eşya earned recognition among the best in S&P Global's sustainability assessments. Both companies scored 65 points each in S&P Global's 2023 lists, which evaluate the sustainability practices of over 13,000 institutions across 62 sectors worldwide through sector-specific surveys. Vestel Beyaz Eşya was ranked the second highest rated company in its sector, while Vestel Elektronik ranked third. In recognition of these achievements, Vestel companies were included in the S&P Global The Sustainability Yearbook 2024, while Vestel Elektronik also ranked in the top 10% of the sector's best performing companies.

In the CDP Climate Change Program, one of the world's most powerful green NGOs, Vestel Beyaz Eşya maintained its A- (Leadership) level and Vestel Elektronik maintained its B (Management) score this year. Both companies continued to maintain C (Awareness) level in the CDP Water Security Program.

Vestel Beyaz Eşya's EcoVadis score, which was 53, increased by 24% in 2023 year-on-year to 67, reaching the Silver level. Vestel Elektronik's EcoVadis score remained at Bronze level. While Vestel Elektronik has been included in the BIST Sustainability Index since 2015 and Vestel Beyaz Eşya since 2016, Vestel Elektronik was included as of 2022 in the BIST Sustainability 25 Index listing companies with high ESG performance in their sectors. In 2023, Vestel Elektronik and Vestel Beyaz Eşya scored 78 and 82 points, respectively, in the ESG assessment conducted by the London Stock Exchange Group (LSEG), the rating agency for companies listed on the BIST Sustainability Index.

Zorlu Enerji once again proved its leadership in sustainability by publishing the first CDP Forests Report and TCFD Report in the sector in 2023. Zorlu Enerji achieved A- (Leadership) level in the CDP Climate Change Program and maintained its B (Management) score in the CDP Water Security Program. In the CDP Forests Report, prepared for the first time, it achieved a score of C (Awareness). Zorlu Enerji took its place among the leaders in CDP's 2023 Supplier Engagement Rating (SER) with an A grade.

As a result of the evaluation conducted by LSEG, Zorlu Enerji increased its score to 74 in 2023, ranked 31st among 312 companies in its sector on a global scale, and maintained its place in the BIST Sustainability Index for the 7th consecutive year. In 2023, Zorlu Enerji was included in the BIST Sustainability 25 Index, which includes publicly traded companies with the highest ESG performance. In the upcoming periods, Zorlu Enerji aims to respond to more indices, particularly the S&P Global Dow Jones Sustainability Index (DJSI), and to increase its scores in existing indices.

Venture/Index	Company	2022	2023	Progress
S&P Global Corporate Sustainability Assessment	Vestel Elektronik	65	65	□
	Vestel Beyaz Eşya	16	65	▬▬▬
	Zorlu Enerji	-	48	▬▬▬
CDP Climate Change Program	Vestel Elektronik	B	B	□
	Vestel Beyaz Eşya	A-	A-	□
	Zorlu Enerji	B	A-	▬▬▬
CDP Water Security Program	Vestel Elektronik	C	C	□
	Vestel Beyaz Eşya	C	C	□
	Zorlu Enerji	B	B	□
CDP Deforestation Program	Zorlu Enerji	-	C	▬▬▬
CDP Supply Chain Program	Zorlu Enerji	A	A	□
LSEG*	Vestel Elektronik	75	78	▬▬▬
	Vestel Beyaz Eşya	77	82	▬▬▬
	Zorlu Enerji	68	74	▬▬▬
EcoVadis	Vestel Elektronik	59	57	□
	Vestel Beyaz Eşya	53	67	▬▬▬

* According to the LSEG assessment methodology, a few points may vary periodically.

“ Our Group companies integrate ESG activities into all business processes. I am happy to share with you that our publicly traded companies Vestel and Zorlu Enerji are listed on local and international reputable sustainability platforms such as CDP, S&P, Refinitiv, Ecovadis, etc. with increasing momentum every year, improving their performance and raising their scores. This year, Zorlu Enerji joined the BIST Sustainability 25 Index, which Vestel Elektronik joined as of 2022. All these proud developments show us how the goals we set for each sector we operate in support Zorlu Group's main sustainability goals together and strongly, and that we are on the right track. ”

Cem Köksal
Zorlu Holding CFO*

DIALOGUE WITH STAKEHOLDERS

At Zorlu Holding, we act with the principle of creating value for our stakeholders in all our activities. While shaping our strategic decisions, we take into consideration the opinions of all our stakeholders, especially our colleagues, and we attach particular importance to communicating regularly with our key stakeholders. We strengthen our understanding of building radical collaborations by considering the opinions and feedback of different individuals and organizations and integrating them into our processes.

Being a part of the solution and putting the collective mind to work play a decisive role in our primary goals and approaches. To this end, we come together with our sectoral stakeholders and relevant organizations, take part in various international platforms and produce reports. In this context, we are a signatory to the UN Global Compact and Women's Empowerment Principles, as well as the Business Plastics Initiative.

Please see the list of other organizations we are a member of in the "[Annexes](#)" section of this report.

Under our sustainability strategy, we set the definitions of the issues and targets that we prioritize in accordance with the AA1000 Stakeholder Engagement Standard by consulting our stakeholders. We analyze our strategic material issues by listening to our stakeholders' expectations and opinions on our ESG performance. We will repeat the stakeholder analysis, which we last conducted in 2019, in 2024 by considering double materiality criteria and update our sustainability priorities by taking into consideration the views of our stakeholders.

Zorlu Holding and Group companies interact with a wide range of stakeholder groups. To ensure that communication with our stakeholders is effective and two-way, we consider the needs of different groups and aim to continuously improve our stakeholder communication. In parallel with the needs of the age, we evaluate the efficiency of communication channels, and pursue open, transparent, sincere and effective communication.



Stakeholders	Communication Method	Communication Frequency
Employees and Group companies	Messages from leaders	At least once a month
	Internal communication messages, e-bulletin, newsletter, monthly magazine	Continuous
	Digital and conventional media communication	Continuous
	Digital media channels (in-house communication platform, website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Internal and external reports, meetings, trainings	Continuous
	Digital announcement platforms inside buildings/production facilities	Continuous
	Sustainability report	Annual
	Annual report	Annual
Suppliers	Digital and conventional media communication	Continuous
	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
	Annual report	Annual
Public institutions and local governments	Digital and conventional media communication	Continuous
	Meetings and conferences	As needed
	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
Non-governmental organizations	Annual report	Annual
	Digital and conventional media communication	Continuous
	Meetings and conferences	As needed
	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
Annual report	Annual	
Project partnerships and collaborations	As needed	

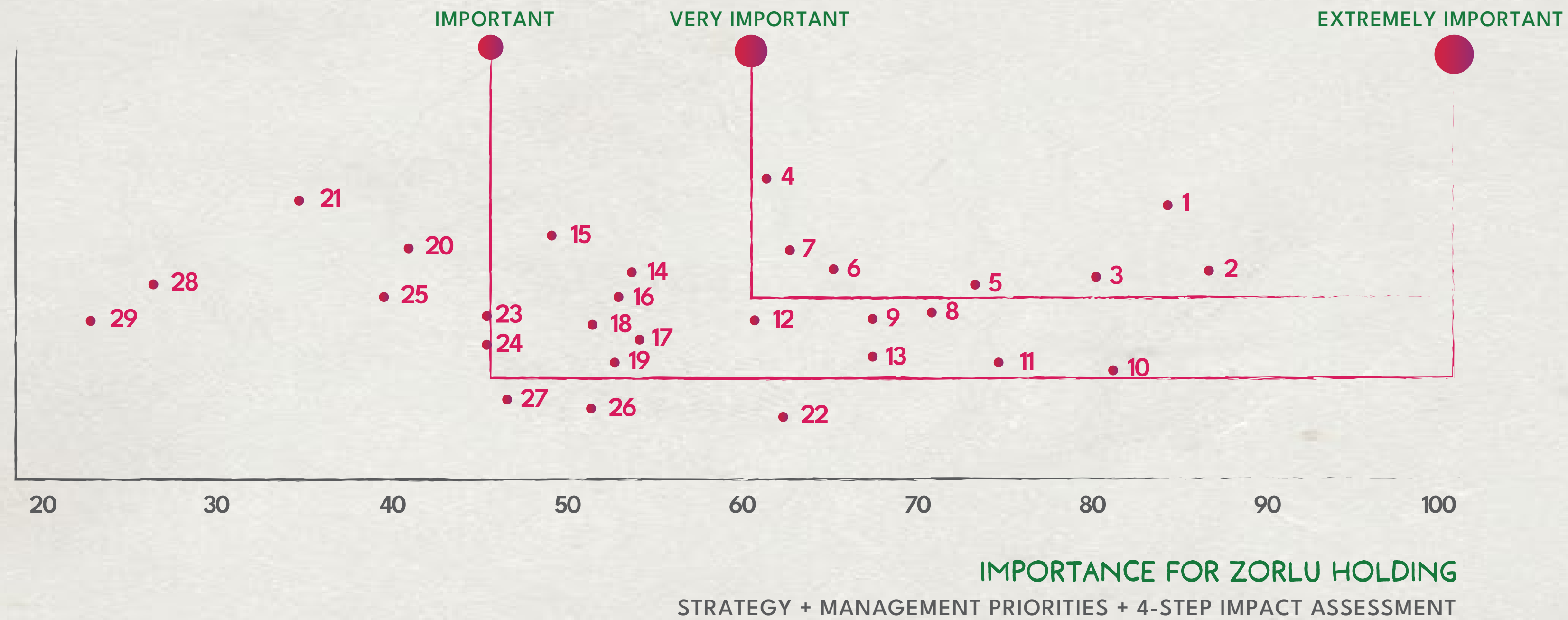
Stakeholders	Communication Method	Communication Frequency
National and international regulatory bodies	Digital and conventional media communication	Continuous
	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
	Annual report	Annual
Academia, institutes and research centers	Digital and conventional media communication	Continuous
	Meetings and conferences	As needed
	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
Media	Annual report	Annual
	Project partnerships and collaborations	As needed
	Digital and conventional media communication	Continuous
Shareholders, investors, analysts, financial institutions	Digital media channels (website, Smart Life 2030 Blog, social media channels)	Continuous
	Meetings and conferences	As needed
	Press conferences and other meetings	As needed
	Sustainability report	Annual
	Annual report	Annual
Shareholders, investors, analysts, financial institutions	Digital and conventional media communication	Annual
	General Assembly Meetings	Continuous
	Meetings and conferences	Continuous
Shareholders, investors, analysts, financial institutions	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
	Annual report	Annual

Stakeholders	Communication Method	Communication Frequency
Business world	Digital and conventional media communication	Continuous
	Meetings and conferences	Continuous
	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
Business world	Annual report	Annual
	Digital and conventional media communication	Continuous
	Meetings and conferences	As needed
Children and young people	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
	Annual report	Annual
	Projects and programs	Continuous
General public	Digital and conventional media communication	Continuous
	Digital media channels (website, Smart Life 2030 Blog, social media channels, intrapreneurship website)	Continuous
	Sustainability report	Annual
	Annual report	Annual
	Meetings and events attended, spoken or sponsored	As needed

STRATEGIC PRIORITIES AND SUSTAINABLE DEVELOPMENT GOALS

IMPORTANCE FOR STAKEHOLDERS

STAKEHOLDER ANALYSIS + EXTERNAL TREND ANALYSIS



MATERIAL TOPICS

- 1 R&D and innovation
- 2 Financial efficiency
- 3 Digital transformation
- 4 Climate change and carbon management
- 5 Occupational health and safety
- 6 Talent management
- 7 Gender equality
- 8 Investing in renewable and alternative energy
- 9 Responsible product and service portfolio
- 10 Customer orientation and customer satisfaction
- 11 Entrepreneurship and intrapreneurship
- 12 Employee satisfaction and engagement
- 13 Sustainability leadership
- 14 Stakeholder dialogue
- 15 Responsible procurement
- 16 Business ethics
- 17 Employee rights
- 18 Social investment programs
- 19 Operational excellence and efficiency
- 20 Contribution to local development and employment
- 21 Sustainable raw material procurement
- 22 Social innovation
- 23 Improving digital literacy and access to technology
- 24 Transparency and reporting
- 25 Waste management
- 26 Data security and customer privacy
- 27 Circular economy
- 28 Water management
- 29 Biodiversity conservation and management

STRATEGIC PRIORITIES AND SUSTAINABLE DEVELOPMENT GOALS

We set our sustainability priorities in consultation with stakeholder groups consisting of internal stakeholders, including employees, and external stakeholders that have a direct or indirect impact on our business.

In 2019, we conducted a material topic analysis in collaboration with an independent consultancy company in accordance with the AA1000 Stakeholder Engagement Standard. We reached out to the stakeholders we mapped and prioritized through online surveys, and the feedback we received contributed significantly to the analysis.

When analyzing the importance of the identified topics for Zorlu Holding, we

- took into consideration the Smart Life 2030 strategy and the growth strategies of Group companies.
- compiled the views and expectations of the management through face-to-face interviews.
- assessed legal and financial impacts and risks using the Sustainability Accounting Standards Board's (SASB) Four-Step Impact Assessment.

When determining the priority of the identified topics for stakeholders, we

- conducted a comprehensive field analysis and consulted with various stakeholder groups.
- With an external trend analysis, we included the decisive trends in the global agenda and in the sectors in which Zorlu Holding Group companies operate. For the external trend analysis, we benefited from the approaches of national and international organizations such as the United Nations 2030 SDGs, World Economic Forum (WEF) Global Risks Report, Presidential Strategy Paper and SASB sector annexes.


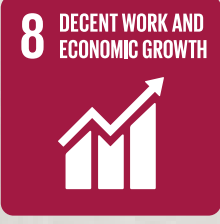

According to the analysis, R&D and innovation, financial efficiency, digital transformation, climate change and carbon management, occupational health and safety, talent management, gender equality, renewable and alternative energy constitute extremely important material topics.


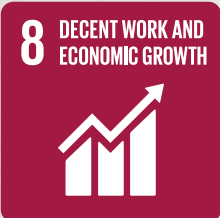
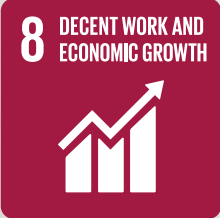
Details of our 2019 analysis are available in our [2021 Sustainability Report](#).



In 2024, we aim to re-perform the stakeholder analysis in accordance with the AA1000 Stakeholder Engagement Standard and update our material topics based on the principle of double materiality.

“ We believe that companies embracing the culture of creating value together have a very strong sphere of influence. As one of the leading conglomerates of our country, we know the importance of our efforts to internalize global issues and to act responsibly. As Zorlu Family, in light of our Smart Life 2030 sustainability vision, we faithfully continue our efforts in line with our 2030 and 2050 goals to achieve the United Nations Sustainable Development Goals. ”

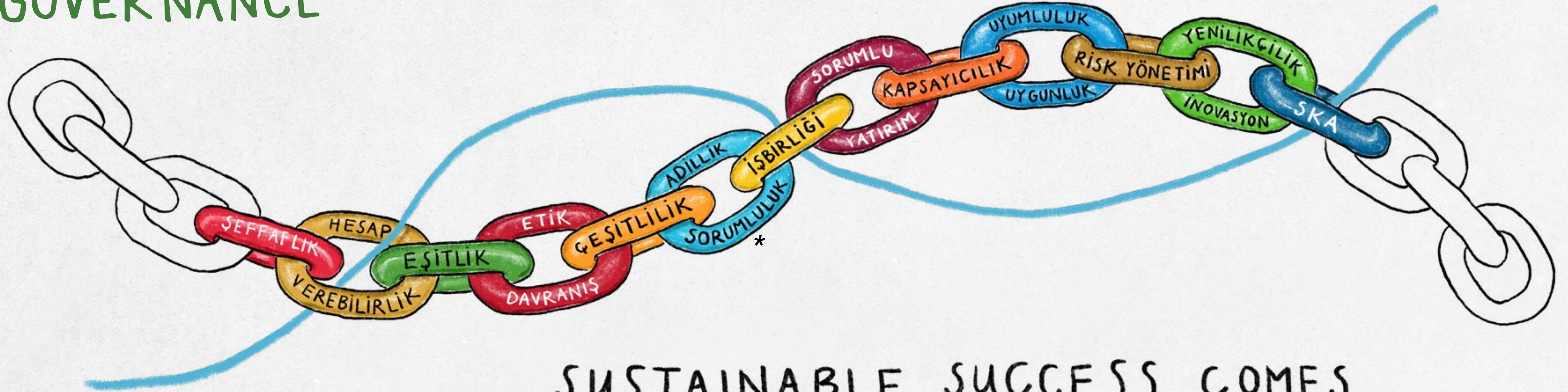
Ömer Yüngül
Zorlu Holding CEO and
Sustainability Committee Member

Extremely Important Material	SDGs We Have Contributed to	Our Approach
<p>R&D and Innovation</p>	<p> SDG 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.</p>	<p>In our business lines, we focus on issues that affect our business and our future, such as the transition to low-carbon technologies, Industry 4.0 and digitalization, cloud technologies, big data and artificial intelligence (AI).</p> <ul style="list-style-type: none"> » In 2023, we allocated a budget of TL 2 billion 417 million for R&D. » Vestel Group of Companies continuously improves its R&D and innovation capacity with human-oriented approaches. By adapting today's technologies to production facilities, it plays a pioneering role in areas such as artificial intelligence, Internet of Things (IoT) and autonomous systems. Using Industry 4.0 tools, it integrates autonomous systems as well as smart robotic systems in its factories and optimizes production processes. » Zorlu Energy Group receives national support from the Energy Market Regulatory Authority (EMRA) for its electric charging stations and energy storage projects, and contributes to innovation in the international arena as a partner in the echarge4Drivers project carried out under the European Union's Horizon 2020 program.
<p>Financial Efficiency</p>	<p> SDG 8.4. Improve progressively through 2030 global resource efficiency in consumption and production, and endeavor to decouple economic growth from environmental degradation in accordance with the 10-year framework of programs on sustainable consumption and production with developed countries taking the lead.</p>	<ul style="list-style-type: none"> » While we saved 280,777 MWh of energy across the Group in 2023, we also achieved financial savings of TL 24,5 million. » In 2023, the water savings we achieved with our projects amounted to 422 thousand cubic meters. Through these improvement projects, we achieved financial savings of TL 4 million.
<p>Digital Transformation</p>	<p> SDG 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.</p>	<ul style="list-style-type: none"> » With its vision of continuous improvement and digitalization, Vestel continues the digital transformation of its production facility Vestel City at full speed with 66 projects, 20 different transformation processes and methods, 491 employees and 103 transformation ambassadors. Vestel continues to develop end-to-end digital solutions in customer experience with new initiatives such as Evin Akli application and Vestel Digital Assistant. » Zorlu Enerji is taking strategic digital transformation steps to adapt to the digitalizing world order based on Industry 4.0 and 5.0 concepts. By digitalizing energy management with big data analysis and artificial intelligence applications, it improves customer experience and the efficiency of energy distribution networks through innovations in smart energy systems and charging infrastructures. Through the Digital Subscription Services project, 97% of more than 250 thousand electricity subscription transactions were realized through digital channels in 2023.

Extremely Important Material	SDGs We Have Contributed to	Our Approach
<p>Climate Change and Carbon Management</p>	<p> SDG 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>	<ul style="list-style-type: none"> » At Zorlu Group, we strive to engage in efforts to draw up decarbonization roadmaps in line with our 2050 net zero target. Scope 1 and 2 emissions in total decreased by approximately 37% year-on-year and 20% compared to the base year of 2020, to 1,390,734 tons of CO₂e. » Zorlu Enerji and Vestel announced commitments under SBTi. Vestel's near-term and Zorlu Enerji's net zero reduction targets are pending in the approval phase.
<p>Occupational Health and Safety (OHS)</p>	<p> SDG 8.8. Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment.</p>	<p>Our OHS management approach is based on identifying our priorities in this area, creating a sustainable safety culture and spreading zero accident awareness among all employees. We regularly organize OHS trainings to raise awareness among our employees. In 2023, we provided 180,210 hours OHS training to 49,352 employees at Zorlu Holding and Group companies.</p>
<p>Talent Management</p>	<p> SDG 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>	<p>We organize various training and development programs throughout the year to encourage employees to improve their skills. In 2023, we provided a total of 293-thousand-person x hours of training to our employees, totaling 10,5 hours of training per person.</p>

Extremely Important Material	SDGs We Have Contributed to	Our Approach
Gender Equality	 <p>SDG 5.1. End all forms of discrimination against women and girls everywhere.</p> <p>SDG 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.</p> <p>SDG 5.5.2. Share of women in managerial positions.</p>	<ul style="list-style-type: none"> » Our gender equality approach, Eşit Bi'Hayat (An Equal Life), which we launched in line with Smart Life 2030, sheds light on all our work. Our strategy is based on Zorlu Holding's leadership approach that extends from the top management to the grassroots. We adopt the Eşit Bi'Hayat (An Equal Life) Manifesto as a guide to strengthen a corporate culture based on inclusion and diversity and to take a step closer to achieving equality in the business world and society in general. Since 2015, we have been a signatory to the UN Women's Empowerment Principles. We carry out our work under the headings of discourse, work environment and collaborations under the leadership of our senior management and together with the Gender Equality Committee. » In 2022, we started gender equality trainings covering approximately 33 thousand Zorlu Group employees in order to raise awareness of gender equality among our colleagues across the Group. Via this training, which we provide to our colleagues through our corporate training platform Zorlu Academy and in-class trainings, we aim to further reinforce the basic concepts of gender equality and take the level of knowledge and sensitivity on the subject one step further. In 2023, we made this training available to all our stakeholders, especially our supplier and dealer network, via YouTube. » We support KAGİDER's Equal Opportunity Model (FEM), which aims to identify inequalities in processes such as recruitment, training, career planning and development and to end gender discriminatory approaches in business life. » In 2023, in addition to Zorlu Holding, Group companies Vestel, Zorlu Enerji, Zorlu Gayrimenkul, Zorluteks and Hometeks were awarded the FEM Certificate. » We are one of the founders of the 30% Club in Türkiye, which aims to increase the ratio of female employees to 30% in order to achieve gender balance in the decision-making mechanisms, boards of directors and senior management of companies, and we are actively involved in its activities. » We are also one of the corporate supporters of the Women on Board Association.
Renewable and Alternative Energy	 <p>SDG 7.2. Increase substantially the share of renewable energy in the global energy mix by 2030.</p>	<p>Through the Renewable Energy Commitment Letter issued in 2021, Zorlu Enerji sets a target to achieve 100% renewable energy in its total electricity generation by 2030, while also focusing on expanding and enhancing its renewable energy portfolio.</p>

CORPORATE GOVERNANCE



SUSTAINABLE SUCCESS COMES
FROM EACH PIECE of the CHAIN

CORPORATE GOVERNANCE

We have three publicly traded companies, Vestel Beyaz Eşya, Vestel Elektronik and Zorlu Enerji, which are listed on Borsa Istanbul. As a responsible investment holding, we shape the corporate structure of our entire Group with a fair, responsible, transparent and accountable approach. We believe that this understanding is a critical lever in achieving our strategic goals and creating value for our company and our stakeholders. We attach great importance to developing proactive solutions by evaluating financial and non-financial risks together. Therefore, we prioritize the management of non-financial assets such as human, intellectual, social and natural capital in our corporate governance approach. We strive to make the integrated perspective an integral part of our corporate culture.

ORGANIZATIONAL STRUCTURE

Board diversity improves the quality of decision-making processes, ensuring broader stakeholder representation and fostering innovation. This contributes significantly to the long-term success and sustainability of organizations. The Board of Directors of Zorlu Holding, which supports the 30% Club, consists of 9 members, 3 of whom are women. The Capital Markets Board's (CMB) recommended criterion of at least 25% female board members in publicly traded companies is met by only 24% of BIST 100 companies and 29.8% of BIST-listed companies. We are above the average of 17.9% female membership rate among the total members of the boards of 517 companies registered on the BIST⁶ and we work with a female membership rate of over 30%.

In line with corporate governance principles, Zorlu Holding's Board of Directors is composed of a sufficient number of independent members, the majority of whom are non-executive directors. The Board of Directors currently consists of 9 members, 2 of whom are executives, 4 non-executive and 3 independent members. The composition of the Board of Directors also emphasizes diversity in terms of professional and personal characteristics. Accordingly, Zorlu Holding's Board of Directors includes members with extensive experience in various sectors as well as members with experience and expertise in banking, strategic human resources, financial investment and sustainability. The Board of Directors held 12 meetings in 2023 with an attendance rate of 98%.

In accordance with Zorlu Group's principle of segregation of duties, the Chairman of the Board of Directors and the CEO are held by two different individuals. The Group's Legal Department, Human Resources Department, Financial Affairs Department, Information Technologies Department, Corporate Communications and Sustainability Department and Internal Control Department report directly to the CEO. The Group's Audit Department is positioned to report directly to Zorlu Holding Board of Directors due to the increasing importance of the audit function within the scope of corporate governance systems. The organizational chart of the Board of Directors and Senior Management and the resumes of the members are available on Zorlu Holding's [website](#).⁷

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THE CORPORATE GOVERNANCE RATING OF VESTEL ELEKTRONİK, WHICH HAS BEEN CONTINUOUSLY INCREASING SINCE IT STARTED RECEIVING RATINGS IN 2007, REACHED 9.66 OUT OF 10 AS OF FEBRUARY 17, 2023.

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[11th Annual Report - Women on Board 2023 Türkiye, Sabancı University Corporate Management Forum](#)

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[As of June 21, 2024, Ömer Yüngül has handed over his duties as CEO of Zorlu Holding to CFO Cem Köksal.](#)

COMMITTEES OF THE BOARD OF DIRECTORS

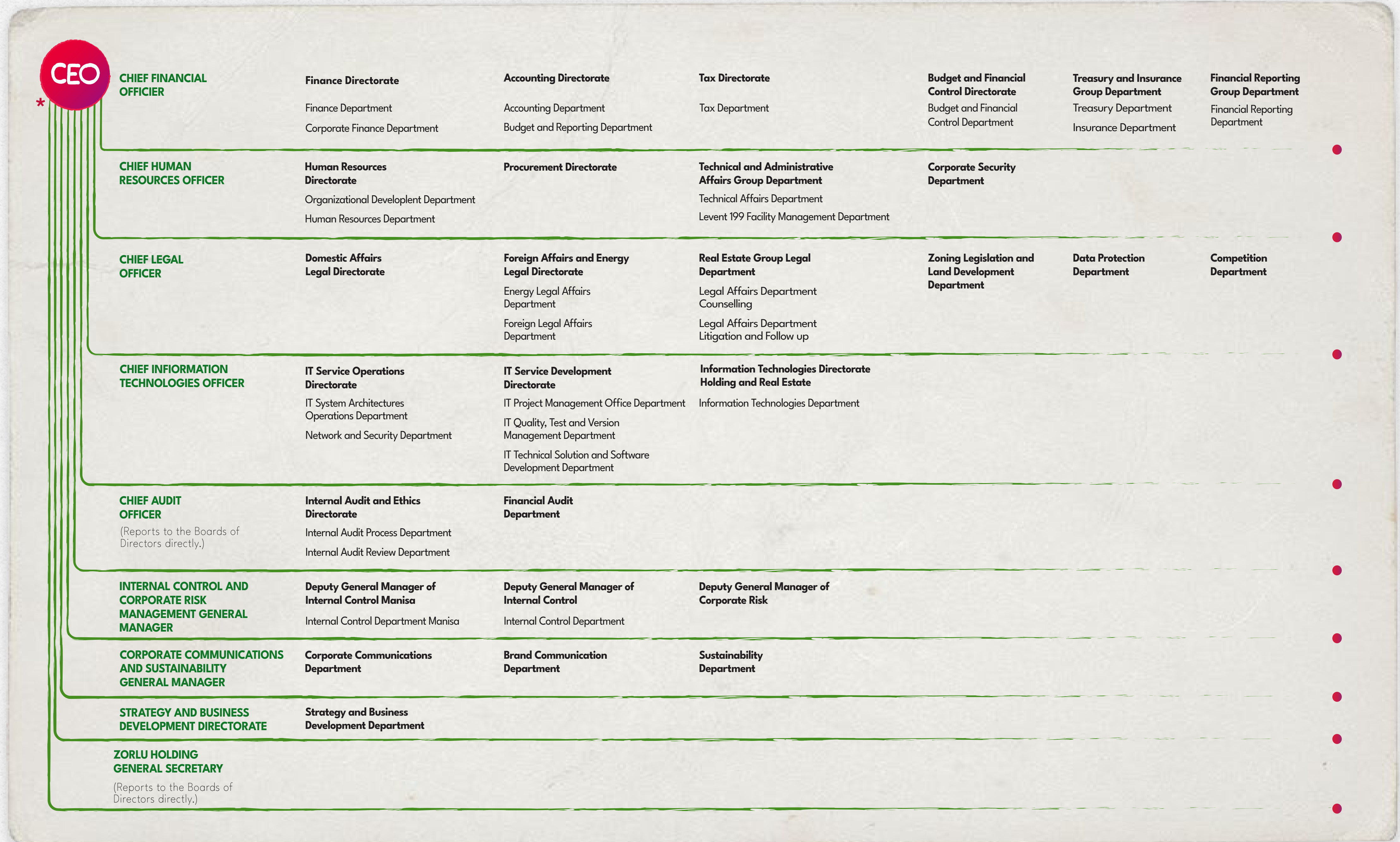
In order to support Zorlu Holding Board of Directors in fulfilling its responsibilities, committees were formed to work more closely on certain issues on behalf of the Board of Directors. The main purpose of the Committees is to carry out preparatory work before the Board of Directors on the issues determined by Zorlu Holding's Code of Conduct and to present advisory opinions to the Board of Directors by evaluating the opinions of relevant managers and consultants. The committees, which do not have the authority to take final decisions, carry out extensive preparatory work on the issues to be considered by the Board of Directors and formulate advisory opinions. The Committees draw up written minutes of all their meetings, inform the Board of Directors about their activities and, when necessary, submit the matters they work on to the approval of the Board of Directors.

There are four committees established to support Zorlu Holding Board of Directors

- Audit Committee
- Risk Committee
- Corporate Governance Committee
- Sustainability Committee

For detailed information on the Sustainability Committee, which is responsible for steering Zorlu Holding's sustainability strategy across the group, please refer to the title "[Sustainability Management](#)".

	Audit Committee	Risk Committee	Corporate Governance Committee	Sustainability Committee
Chairperson	Tayfun Bayazıt	Ahmet Dördüncü	Ege Karapınar	Ege Karapınar
Member	Ahmet Dördüncü	Olgun Zorlu	Selen Zorlu Melik	Ahmet Dördüncü
Member	Billur Demet Atan	Tayfun Bayazıt	Şule Zorlu	Selen Zorlu Melik
Member		Arzu Pişkinoğlu	Necmi Kavuşturan	Ömer Yüngül



CODE OF ETHICS, ANTI-CORRUPTION AND ANTI-BRIBERY

Zorlu Holding Code of Ethics sets the boundaries of the Holding and Group companies' fundamental principles, values, procedures and ways of doing business. In addition to employees, it covers all stakeholders, including suppliers, business partners, dealers, authorized dealers, authorized services, customers and consumers, enabling effective management of stakeholder relations. The Code of Ethics, which is based on integrity and honesty, aims to increase the quality of service and the effectiveness of the protection of assets and resources.

Our Code of Ethics comprises relationships with employees, corporate and personal conflicts of interest, protection of assets and information security, accuracy in records and financial reporting, OHS, relationships with stakeholders, compliance with laws and regulations, prevention of money laundering, anti-bribery and corruption, political activities, social responsibility, volunteering and donations, environment and sustainability, and principles and rules for implementation, compliance and violations.

Zorlu Holding's Code of Ethics, which is drawn up with a perspective to cover and protect all our employees and stakeholders, is available [here](#).

Holding and Group company employees are informed about Zorlu Holding's Code of Ethics, which guides all their activities, and their responsibilities in relation to these principles from the recruitment stage. Employees can access the Code of Ethics and the details of the mechanisms designed to establish and develop a culture of business ethics (Ethics Committee, Ethics Hotline, audit and reporting process, etc.) through Zone, the in-house communication portal.

The Ethics Committee established by Zorlu Holding's Board of Directors aims to protect, develop and sustain the ethics culture. The Ethics Committee is led by Zorlu Holding's CEO and its permanent members include Zorlu Holding's Chief Human Resources Officer, Chief Legal Officer and Chief Audit Officer. The Ethics Committee has the authority and responsibility to manage ethics-related activities throughout the Group, to implement the activities it deems necessary, to set, update, publish and ensure the applicability of ethical principles, to organize training programs for those assigned in this regard and employees or to cooperate with expert institutions.

Code of Ethics Implementation Principles and Trainings

BCode of Ethics Trainings for white-collar employees have been conducted online since 2018. The training, which covers basic rules on human rights, also includes case studies and exam questions, answers and explanations. The comprehensive training, which lasts approximately 1 hour, is provided to all white-collar employees within the Holding and Group companies within the scope of mandatory training and is expected to be completed within a certain period of time. Efforts is underway to extend the Code of Ethics Training to blue-collar employees. In 2023, a total of 3,217 employees, including 1,597 blue-collar employees, received ethics training.

Our employees are expected to embrace the Zorlu Holding Code of Ethics and act accordingly while carrying out all daily duties. In case of any doubt regarding the content of these principles, which are intended to protect stakeholders, and/or in the event of a violation of the principles, employees of all Holding and Group companies who wish to communicate or consult the situation in question can reach the **Code of Ethics Notification Line** by sending an e-mail to etik@zorlu.com or by calling **(0212) 456 23 23** or **(0850) 226 23 23**.

The Internal Audit Review Department under Zorlu Holding Audit Department conducts the necessary activities, examinations or investigations on complaints, allegations and denunciations that reach the hotline open to the use of all stakeholders as well as employees. Any violation of the Code of Ethics is initially evaluated by the Group's Audit Department under the Audit Group Presidency of Zorlu Holding. In the event that a transaction or action in violation of the Code of Ethics is detected, the report on the violation or the result of the investigation that no violation of the Code of Ethics was detected is forwarded by the Internal Audit Review Department to the Managing Director, Sector Head, Ethics Committee Members, Board Members and CEO of the relevant company. Of the 27 notifications received by the Code of Ethics Hotline in 2023, 14 were investigated and resolved in 2023. For 13 notifications, the audit and reporting process was transferred to 2024.

The Code of Ethics also covers the relevant regulations on anti-bribery and corruption. In 2023, 21 of the reports received regarding ethics violations were evaluated within the scope of bribery and corruption and audited by the Internal Audit Review Department. 11 of these cases were resolved in 2023, while the process for 10 of them was carried over to 2024. In line with the audit report and the recommendations by the legal department, the human resources department and senior management of the relevant company decided to take action (e.g. termination of employment contract, legal action, termination of business relationship with the supplier etc.). 17 employees were disciplined and/or terminated for corruption.

RISK MANAGEMENT

Zorlu Holding Risk Committee carries out the oversight role for early detection of risks that may jeopardize the existence, development and continuity of the Holding and the Group as a whole, taking the necessary measures against the identified risks and managing the risks effectively. This committee, chaired by an Independent Board Member and composed of independent board members, shareholder members and executive members, regularly monitors risk issues and ensures that important issues are brought to the agenda of the Board of Directors. Early Detection of Risk Committees in publicly traded companies are similarly positioned in the relevant sectors with independent members. Internal Control and Enterprise Risk Management Department monitors and reports to the CEO of Zorlu Holding on issues related to the Group's key risk management and internal control systems, and regularly keeps risk issues on the agenda of the CEO and the Risk Committee. Effective management of risks plays a critical role for the sustainability of our companies and activities. Under our Smart Life 2030 strategy, we strive to manage risks in the most effective way by combining analytics with our experience and knowledge. At Zorlu Holding, with a holistic corporate risk management (CRM) approach, we aim to diagnose the potential consequences of situations that may threaten the continuity of the Group's activities, to anticipate incidents that may create obstacles to achieving our goals, to allocate resources for measures that can be taken by evaluating the risks associated with these incidents, and to develop and maintain a structure that will ensure continuous monitoring of risks. Under risk management, we aim to proactively and effectively manage and eliminate all kinds of factors that may have a negative impact on the sustainability of the company, which we categorize as financial and non-financial such as human, innovation and environmental capital. As a critical part of risk management, the Group's risk appetite and tolerance are taken into account, and the impact on reputation, innovation, sustainability, OHS, human rights, environment, productivity, employee and customer satisfaction, and the Group's uncompromising Code of Ethics are meticulously assessed in addition to financial considerations.

The Corporate Risk Management Department, which was established in January 2023 under Zorlu Holding's Internal Control and Corporate Risk Management Department, coordinates the development of a risk management strategy and policy in line with the Group's strategic plan and goals, the development of a CRM model, the implementation of the CRM program and the development of a risk culture. The department carries out its duties by working together with

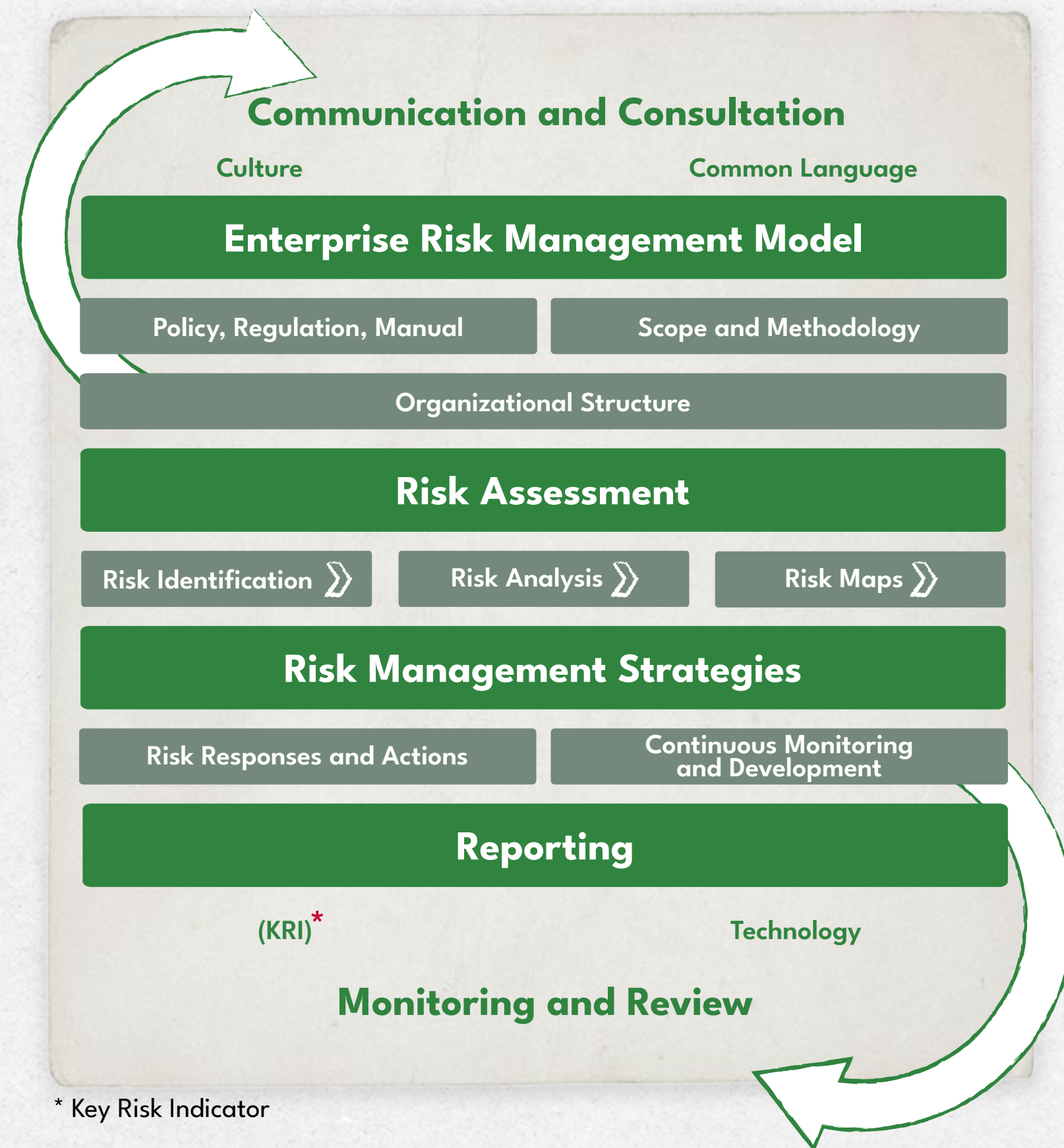
the Corporate Risk Management Coordinators and related managements in the sectors. The Corporate Risk Management Policy, in which the Group emphasizes the importance it attaches to CRM, and the Corporate Risk Management Department's objectives, duties and authorities, working methods, and the duties of all employees, particularly the Group's managers, in this area are included in the Corporate Risk Management Regulation, and the relevant documents are published on company portals with the announcement of the Holding CEO. At the same time, e-training on all aspects of CRM was completed in 2023 to enable all Zorlu Group employees to manage risks in their activities in accordance with the Group's principles. From 2024, it will be integrated as a mandatory training for all employees.

In cooperation with the sector corporate risk management officers/coordinators, the Corporate Risk Management Department is responsible for:

- Establishing a holistic risk management strategy and policy in line with the Group's strategic plan and objectives,
- Developing a common risk management language across the Group and establishing the necessary standards so that risks are perceived in the same way by everyone,
- Identifying and assessing the Group's significant strategic, financial, operational and compliance risks, identifying and managing risk responses according to risk appetite and guiding regular reporting and monitoring,
- Establishing and running programs at different levels to raise awareness on CRM,
- Guiding the management of companies to establish the communication network and infrastructure required to manage the activities of companies within the risk tolerances identified.

According to the Corporate Risk Management Regulation, which is binding for Zorlu Holding and all Group companies, risk management consists of six sub-processes:

1. Enterprise Risk Management Model
2. Risk Assessment
3. Risk Management Strategies
4. Communication and Consultation
5. Monitoring and Review
6. Reporting



* Key Risk Indicator

Risk management principles are integrated into the processes of defining and revising the scope and methodology, aligning the company's strategies and objectives with its risk appetite. Afterwards, risks and opportunities that may affect the company's objectives are identified through a joint study across the organization, and the likelihood of these risks and their possible impacts on the company are identified. The most appropriate risk responses (**risk acceptance, transfer, mitigation and risk avoidance**) are determined against the assessed risks and risks are proactively managed with the right actions accordingly. Throughout the risk management process, the completion processes of the activities identified through action plan monitoring are continuously monitored and reviewed, and risk reporting and sharing with stakeholders are monitored.

At Zorlu Group, the following standards are taken into account for the CRM system and the framework, which is created by considering the Group's main needs, is reviewed every year:

- ISO 31000 (2018): International Organization for Standardization (ISO) principles, framework and risk management process
- Committee of Sponsoring Organizations (COSO) CRM integrated framework (2017 and 2022): An internationally accepted framework that defines the ideal typical organizational structure and process of enterprise-wide risk management

Within the framework of the CRM, the risk universe was defined for all sectors in which we operate. Risk assessments were carried out with the relevant sector CRM Coordinator and management within the framework of the identified universe. In order to ensure adequate oversight of CRM processes, Zorlu Holding Risk Committee and Early Detection of Risk Committee meetings were held in publicly traded sectors in line with the schedule set in 2023.

Under the leadership of the CEO of Zorlu Holding, we carry out comprehensive activities covering all our sectors under the supervision of the BCM (Business Continuity Management) Steering Committee, which was established with the task of setting the strategy and providing the necessary guidance for the work on disaster, emergency and business continuity management, and which includes our relevant Department Heads, the Managing Directors of our parent companies and the managers of the relevant functions at Zorlu Holding. The Committee identifies action plans to strengthen the measures we already effectively implement in disaster and emergency response. Accordingly, the relevant actions taken by the working groups are closely monitored. We are working on the analysis of our facilities, disaster management planning, trainings on disaster and emergency management, awareness raising activities and communication mechanisms.

FINANCIAL RISKS

Liquidity Risk

Liquidity risk means the inability of assets to meet the company's demand for cash. Liquidity risk arises when assets have longer maturities than those of liabilities. We manage liquidity risk proactively, through planning in advance alternative courses of action based on possible scenarios and stress test results.

Financing Risk

Group companies under Zorlu Holding make long-term investments due to the nature of their operations. The financing needs of these investments are met by bank loans in addition to equities. We manage financing risks, arising from not being able to find sufficient amounts of applicable funds, by integrating alternative financing methods to the existing structure, diversifying the company's funding resources.

Foreign Currency Risk

Zorlu Holding's Group companies are exposed to exchange rate risk as the external resources used in financing investments and raw materials purchased are predominantly denominated in foreign currencies. We eliminate this risk primarily by routine methods of balancing the accounts. When necessary, we hedge with derivatives to minimize potential negative impacts. We alleviate the impact of fluctuations in the current market values of the derivatives on financial statements by means of hedge accounting.

Interest Risk

While Zorlu Holding's Group companies fund their investments through various external financing sources, fluctuations in interest rates in domestic and international markets pose a significant risk to financial results in terms of cash flow and profitability. We manage this risk by balancing fixed and floating interest rates on the balance sheet and by balancing the amount and maturity of interest rate sensitive items by using on-balance sheet methods or by using derivative financial instruments when necessary. We alleviate the impact of fluctuations in the current market values of the derivatives on financial statements by means of hedge accounting.

Receivables or Collection Risk

Receivables or collection risk is the possibility that a customer or other party to an agreement may not be able to meet its obligations in accordance with the terms of the agreement. Zorlu Holding Group companies are exposed to credit risk through their trade receivables arising from forward sales and deposits held at banks. Regarding this risk, the Holding employs comprehensive Receivables Risk Management. There is a systematic management framework such as receivables insurance and an internal rating mechanism. We embrace a preventive approach in receivables management. For instance, we obtain financial reports from outside sources and carry out intelligence activities about customers with whom we are in a commercial relationship. Moreover, we request letters of guarantee, bank checks, etc. from customers for assurance against receivables risk. Measures and actions taken regarding receivables risk management are monitored and approved by Group companies' Credit Risk Committees.

Geopolitical and Macroeconomic Risks

Wars, commercial and political tensions in the geographies in which we operate may negatively affect the company's ability to do business, revenues and profitability. Macroeconomic risks manifested through shrinking demand, recession, inflation, increasing energy and commodity costs negatively impact Group companies in investment and operation phases. We measure possible related negative impacts via sensitivity, scenario and stress test analyses and develop different action plans for each case.

HOW DO WE MANAGE THEM?

NON-FINANCIAL RISKS

Strategic Risks

Intense competition in the sectors in which we operate, changes in customer demands, investment decisions and changes in the product and service range bring about strategic decisions and various risks and opportunities. In order to effectively manage these risks and opportunities, the Business Development and Strategy Department carries out the necessary work with the relevant departments and develops and implements appropriate strategies. In addition, Zorlu Holding's Corporate Risk Management Department monitors strategic risks for the Holding and Group companies and reports the measures to be taken directly to senior management. For risks related to international investments, we offer sector-specific pre- and post-investment consultancy services and adopt a country-specific management approach.

Sustainable Supply Chain Risk

Risks posed by vulnerabilities in supply chains due to global factors such as the pandemic in recent years, the increase in severe weather events due to climate change, geopolitical tensions and rising inflation are on the agenda of the business world, especially companies with manufacturing activities. Sustainability of the supply chain is of utmost importance for Zorlu Holding and Group companies, which have many stakeholders in the value chain. Risks include disruptions from suppliers, disruptions due to the pressure on the supply chain triggered by the risk of under/over supply due to a sudden change in demand, or cost increases.

Upon the approval of the European Union Corporate Sustainability Due Diligence Directive (CSDDD), companies in the EU are becoming responsible for their own performance as well as for human rights and environmental violations in their supply chains. This also concerns non-EU companies that have business relations with the EU. Companies aiming to maintain their place in the value chain of companies in the EU must implement the human rights and environmental measures under the CSDDD and monitor their suppliers to identify, prevent and mitigate violations. Therefore, the failure of stakeholders in the supply chain to comply with human rights and environmental requirements poses a risk. In managing these risks, the Internal Control and Corporate Risk Management Department continues to engage in activities in line with annual work plans to ensure that managers and employees control processes and identify areas for improvement.

Business Continuity & OHS Risks

Damage to facilities, infrastructure or operations triggered by natural disasters and extreme weather events such as earthquakes, storms, floods, fires, epidemics or pandemics, failures in technological systems, unexpected shortages and changes in the workforce, information security breaches and data loss may significantly threaten business continuity. Based on these risks, we prepare action plans to protect technical infrastructure and systems and restore their functionality in case of emergency, revise these plans regularly and test them through drills.

As a Group operating in different sectors, we bear various OHS risks. We work in line with our zero accident and zero occupational disease targets and regularly organize OHS trainings to raise awareness among our employees.

NON-FINANCIAL RISKS

Compliance and Reputation Risks

Based on the principle that companies must comply with the legal and regulatory requirements of the countries in which they operate and export, the monitoring and effective implementation of new legal regulations and legislative amendments is of critical importance for Zorlu Holding, both in terms of reputation and financial standing. Due to the sectors in which we operate and our export operations, new regulations to combat the climate crisis, such as the Carbon Border Adjustment Mechanism (CBAM), may result in additional costs and sanctions if we do not comply. We manage such risks with the coordination of all relevant units in the Holding and Group companies.

We know that unethical behaviors and violations such as corruption pose a risk to reputation, and we share the Zorlu Holding Code of Ethics, which we have drawn up to prevent them, with all our employees and stakeholders and expect them to act in accordance with these principles.

Talent Management Risks

In today's fast-changing business world, the talent shortage is on the agenda of most companies. With global trends and the transformation of technology, talent needs are changing in emerging sectors and the definition of expectations from talent in Türkiye is shifting. 21st century skills are becoming increasingly important and the talent gap problem is deepening. Failure to manage talent effectively or to provide a suitable environment for new talent may lead to talent loss. There may be risks in mismatching the required talent profile with the competencies and expectations of candidates, inability to find qualified workforce, filling existing roles with unsuitable candidates, or inability to retain talent.

In order to minimize these risks, we carry out employer branding and employee engagement activities with the relevant teams at Zorlu Holding and Group companies in a timely and needs-oriented manner and monitor employee satisfaction. We secure the rights and freedoms of employees through Human Rights and Ethics Policies. We care about employee development and support them with department and sector-based trainings to reach their potential. We hold gender equality among our priority values and believe in the importance and power of diversity and inclusion in the workplace. We strive to recruit the best talent and make sure all our employees have a good work experience.

Technology and Innovation Risks

The effects of technological changes and developments, which are accelerating day by day, stand out in all sectors. Technologies such as Industry 4.0, AI, machine learning (ML), 5G, blockchain and IoT may lead to changes in companies' daily operations as well as their long-term strategies. This presents significant opportunities, but also challenges and risks. According to the WEF's Global Risks Report 2024, AI-driven disinformation is considered as the biggest threat for the next two years. Accordingly, adapting the existing business models and operations of Zorlu Holding and Group companies to digitalization and technological transformation is among our priorities. The risks of lagging behind digital transformation and failing to meet innovative product and service expectations may lead to a loss of competitive advantage. Data breaches and cyber threats may lead to reputational damage, legal liabilities and financial losses. At the same time, new regulations and changes in existing regulations in the field of technology and innovation may be risk factors. To avoid such risks, we conduct cyber risk awareness training and cyber risk insurance activities. We closely follow trends and current regulations such as Industry 4.0, digital transformation, AI, and conduct comprehensive R&D and innovation studies and strive to increase the budgets we allocate to these studies. We carry out R&D and innovation-oriented collaborations with universities, national and international institutions and organizations.

CLIMATE RISKS

Impact	Term	Time Interval
Low	Short	0 - 3 years
Medium	Medium	3 - 10 years
High	Long	10 - 20 years

TRANSITION RISKS

Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Risk Mitigation Activities
Policy risks and legal risks	They encompass risks such as legal regulations imposed on products and services to control climate change, the increase in carbon prices and the legal process that may be encountered when global and local regulations are not complied with in line with these regulations, or the operational costs incurred during the compliance process.	<p>Zorlu Group companies, Vestel and Tekstil Group companies, are affected by carbon pricing due to their export operations. They may face financial obligations arising from regulations such as CBAM. There may be a risk of reduced exports if embedded emission reductions on a product basis are not sufficient under CBAM.</p> <p>Zorlu Enerji is likely to be subject to the Emissions Trading System (ETS) and carbon tax due to its natural gas power plants and geothermal power plants (GPPs), which are considered high-emission renewable resources. In this context, processes such as adopting new equipment standards and GHG mitigation technologies, establishing the necessary institutional resources and systems to manage risks, and ensuring the compliance and renewal of existing equipment/processes may trigger additional costs. In addition, it is important to follow and adapt to rapidly changing and evolving local and international regulations specific to each sector in which it operates. In particular, stringent regulations on issues such as habitat protection, water resource use and waste management may affect the operations and costs of the energy and mining sectors. Restrictions on the use of chemicals in the textile sector or policies that encourage the use of recycled materials may have an impact on production processes and costs. With the EU energy label and the new eco-design regulation, Vestel may lose market share if it fails to comply with legislation to reduce the environmental impact of its products. Any penalty may have a negative financial impact.</p>			<p>With its Regenerative Business Models, Zorlu Holding aims to achieve net zero emissions in its own operations by 2030 and in its entire value chain by 2050.</p> <p>At Zorlu Group, we strive to monitor and report greenhouse gas emissions that occur across the entire value chain, from the raw materials used to the products sold, as well as the emissions arising from the operations of the sectors themselves.</p> <p>Within the scope of the EU Green Deal, CBAM closely monitors the responsibilities that regulations such as the Circular Economy Action Plan will bring and supports Group companies to develop business strategies in line with the EU Green Deal.</p> <p>Zorlu Enerji and Vestel continue to engage in their SBTi processes and decarbonization projects. In this context, Zorlu Enerji aims to reduce carbon emissions by reducing energy consumption through energy efficiency improvements. Carbon Capture and Storage (CCS) projects such as GECO (Geothermal Emission Control) and SUCCEED aim to reduce the carbon footprint and increase the share of green energy.</p> <p>In line with the current requirements of CBAM, Vestel closely monitors the carbon emissions of cement, iron-steel, aluminum, hydrogen and electricity-related inputs used in its products.</p> <p>It is also taking steps to implement projects such as the development of programs to calculate the carbon footprint of products, the establishment of a supply chain management system to monitor indirect emissions, etc. in order to adapt to its scope that will expand in the future.</p>

TRANSITION RISKS

Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Risk Mitigation Activities
Market risk	This includes risks related to climate change, such as changes in customer preferences and the market, supply chain disruptions and raw material price increases.	Zorlu Group operates in various sectors such as energy, textiles, mining and consumer electronics. This brings about the risk of not adapting the portfolio to the climate transition, especially for high-emission sectors. These different sectors are subject to different market conditions and consumer demands. This could affect the holding's revenues and profitability. Factors such as changes in the balance of demand and supply in the energy sector or an increase in demand for renewable energy with lower carbon emissions may lead to changes in market share and financial losses. In line with technological developments in the consumer electronics sector and consumers' increasing demand for products with low environmental impact, product range and market shares may change, and companies' competitiveness may decrease if this demand cannot be met. Events such as political instability or natural disasters in the regions where operations are located may lead to supply chain disruptions and price fluctuations, resulting in financial losses. With the introduction of the Digital Product Passport obligation for products entering the European market, the entire life cycle of the product will become traceable. Therefore, the negative social and environmental impacts of products, especially in the textiles and electronics sectors, need to be reduced.			<p>Zorlu Group companies closely monitor changing customer demands and market dynamics due to climate change and transform their product and service range accordingly.</p> <p>In addition to electricity generation facilities, Zorlu Enerji also invests in electric charging stations. This investment both contributes to the transition to a low carbon economy and offers a green solution to electricity supply. It also supports renewable energy production by investing in solar panel production in Türkiye. By operating in different areas of electricity generation and sales, it aims to capitalize on the growing demand for its products and services with a holistic approach.</p> <p>Vestel focuses on reducing environmental impact and making life easier for its customers with the products developed by listening to consumer expectations within the framework of its focus area of "Accessible and Smart Solutions that Make Life Easier".</p>

TRANSITION RISKS

Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Risk Mitigation Activities
Technology risk	These are the risks arising from the adoption of new technologies or the need to update existing technologies. For example, it includes risks of additional costs as a result of the transition to renewable energy and energy efficiency technologies.	Innovation, R&D and digitalization within the scope of technology are critical factors for efficiency and competitive advantage in the sectors in which Zorlu Group operates. Failure to keep pace with the transition to low-carbon technologies risks loss of competitive advantage and reduced operational efficiency. For all Zorlu Group companies, new investments and R&D efforts to develop products and services that reduce environmental impact may pose a significant cost increase. Failure to keep pace with technological developments in the consumer electronics sector may lead to a decline in customer satisfaction and loss of market share. Standards and taxation policies for the recycling of waste electronics, which have become widespread in the consumer electronics sector due to technological advances, may increase Vestel's costs.			<p>In 2023, Zorlu Enerji allocated approximately 31% of its R&D budget to developing low-carbon technologies. By actively generating renewable energy and introducing low-carbon technology projects such as eCharge4Drivers, and commissioning RES power plants with storage, it is reducing dependence on fossil fuels through innovative work.</p> <p>Vestel harnesses the power of Industry 4.0 and automation and considers technology as one of its focus areas. It supports energy consumption reduction and resource efficiency through innovative products.</p>
Reputation risk	It includes risks such as loss of reputation and talent, changes in customer preferences and/or negative feedback from customers and other stakeholders for companies that do not take adequate action to combat climate change and fail to fulfill their goals.	Today, issues such as high-emission power plants, water-intensive textile operations, mining activities, technological products and battery production may sometimes be controversial due to their environmental impacts. They may face lawsuits filed by environmental organizations and professional associations in the regions where they operate. Failure to effectively and transparently implement Zorlu Holding's initiatives to reduce energy consumption and emissions could result in reputational, customer and investor losses. It is necessary to avoid greenwashing to maintain customer satisfaction and reputation, while building an environmentally responsible and innovative brand image, and at the same time continuing to provide quality and high-performance products and transparent reporting.			<p>Zorlu Holding and Group companies support their transparent communication processes through various tools such as employee and customer satisfaction surveys, reputation surveys, stakeholder analysis and stakeholder engagement meetings. It uses stakeholder feedback to improve business processes and evaluate every suggestion.</p> <p>For this purpose, it periodically evaluates its stakeholders by using mechanisms such as the Corporate Reputation Survey, Employee Satisfaction Survey, Brand Health, Brand Image and Perception Survey.</p> <p>In the regions where it operates, the Company considers the repercussions of the risks that may arise due to climate change on the economic, social and cultural life of its stakeholders in the region and shapes its social investments accordingly.</p>

PHYSICAL RISKS

Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Risk Mitigation Activities
CHRONIC PHYSICAL					
Water stress	<p>Reduced rainfall and rising temperatures may reduce water resources and lead to water stress. In some areas, unequal distribution of water and mismanagement may trigger water stress. Activities such as deforestation, agricultural practices and infrastructure projects may also trigger water stress by increasing soil erosion. Water stress involves the risks of production and services stopping in areas where water shortages occur and operational costs rising by transporting water from different regions.</p>	<p>In the sectors in which Zorlu Group companies operate, especially in water-intensive areas such as energy and textiles, the risk of water stress is significant. In hydroelectric power plants (HPPs) and natural gas power plants, water is an important component. Diminishing water resources or droughts may negatively affect HEPP efficiency and electricity generation capacity, while water used for cooling needs of natural gas power plants may increase the risk of water stress.</p> <p>In Zorlu Textiles Group, inefficient use of water in production processes or the release of contaminated water into the environment may increase the risk of water stress. According to the WRI Aqueduct Water Risk Atlas, in terms of water stress, Zorlu Enerji's Denizli, Manisa and Osmaniye plants have very high water risk, while Tokat, Kars, Tunceli and Lüleburgaz plants have medium-high water risk.</p> <p>Vestel City in Manisa, where Vestel products are manufactured, is among the areas with very high water risk.</p> <p>Denizli and Bursa regions, where textile production takes place, also vary between very high risk and high risk.</p> <p>Meta Nikel, a hydrometallurgical plant in Gördes, Manisa, where water-intensive activities are carried out, is also among the very high-risk areas.</p>			<p>Zorlu Holding aims to recover 50% of the water used by 2030 and 100% by 2050.</p> <p>Zorlu Enerji periodically analyzes water stress levels. Thus, it aims to manage factors that may cause power outages and negatively affect the financial situation. It defines water stress using the Aqueduct.</p> <p>Vestel conducts projects for rainwater collection and wastewater recycling. Vestel is working to purchase recycled water from the advanced water treatment plant in the Manisa Organized Industrial Zone and conducts periodic water quality analyses.</p> <p>Meta Nikel plant has a rainwater collection pond.</p>

PHYSICAL RISKS

Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Risk Mitigation Activities
ACUTE PHYSICAL					
Heat waves	It includes risks such as difficulties in the supply chain and transportation due to the occurrence of severe heat waves, OHS risks and increased operational costs due to the effects on the facilities.	<p>High temperatures may pose risks to working conditions and employee health in all sectors in which Zorlu Holding operates.</p> <p>In case of high temperatures, the efficiency of Zorlu Energy Group's cooling systems may be reduced, leading to both reduced conductivity efficiency and damage during electricity transmission. Higher air temperature and a decrease in the difference between it and the underground temperature may prevent GPPs from operating at peak capacity, reducing production efficiency. High temperatures may increase the evaporation of water in HEPPs, reducing water resources and electricity generation. In WPPs, it may reduce the performance and durability of wind turbines.</p> <p>For Vestel Group, high temperatures may adversely affect the working conditions in production facilities and storage areas and the performance of devices in the facilities. In addition, it may negatively affect sales by reducing the comfort of employees and customers at points of sale, and may cause an increase in operating costs by increasing the use of climate control systems such as air conditioning.</p> <p>Meta Nikel plants may experience production shutdowns as a result of fire incidents due to high temperatures. In addition, the performance of water cooling systems and equipment may be adversely affected.</p>			<p>Zorlu Enerji performs the design and operational processes of its power plants to adapt to extreme temperature conditions. Materials resistant to extreme temperatures are used during the construction of electricity transmission lines. In addition, maintenance and repair works are carried out to identify potential problems, increase the durability of the lines and protect the insulation materials.</p> <p>Vestel systematically tests each product in its product portfolio in terms of the highest and lowest heat levels to which it can be exposed. It carries out R&D activities to make product designs more suitable for weather conditions.</p>

PHYSICAL RISKS

Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Risk Mitigation Activities
ACUTE PHYSICAL					
Forest fires, excessive rainfall, floods and overflows, extreme weather events	The risks include physical damage to facilities due to extreme weather events of increasing frequency and severity, disruptions in supply chain and transportation processes, potential problems in the workforce, increased operating costs and high insurance premiums.	<p>At all Zorlu Group facilities, there is a risk that extreme weather events, especially severe storms, hurricanes and excessive rainfall, flooding, inundation, forest fires, etc. could cause physical damage and disruptions in production. These events may affect outdoor operations depending on their size and business continuity in facilities depending on the damage they cause. In the event that extreme weather events damage energy infrastructure, prolonged energy supply disruptions could lead to production disruptions and cost and reputational risks.</p> <p>In Zorlu Energy Group, in addition to production processes such as damage to WPPs by storms, damage to SPPs by excessive rainfall and hail, filling of HEPPs and uncontrolled water release, there is also the risk of power outages and forest fires caused by damage to power lines in the electricity distribution process.</p> <p>In the electronics and textile industries, supply chain delays or damage to products may negatively impact sales and lead to cost and reputational damage.</p> <p>The waste storage facility (tailings dam) where non-hazardous process waste is stored at Meta Nikel facilities may also be adversely affected by excessive rainfall.</p>			<p>The insurance covers any damage or loss of profits incurred during the period against natural disasters at Zorlu Enerji and Vestel facilities. Electricity distribution lines and infrastructure are designed to withstand extreme weather events and rainfall. Appropriate insulation materials are used to prevent damage to the lines. For power plants and distribution lines, meteorological data is monitored and measures are taken in advance against the possibility of icing. Vestel has an Emergency Action Plan for actions to be taken in case of possible emergencies and natural events. Zorlu Enerji, on the other hand, takes actions to review business continuity and emergency action plans at regular intervals and to organize drills.</p> <p>Infrastructure deficiencies such as air conditioning, insulation and heating cables have been completed at Meta Nikel facilities to prevent adverse weather conditions from adversely affecting operations. In addition, activities are underway to prevent flooding and flooding by effectively draining rainwater around the waste storage facility where non-hazardous process waste is stored.</p>

CLIMATE OPPORTUNITIES FOR ZORLU HOLDING

Opportunities	Description	Zorlu Holding's Actions
Energy source	Opportunities for the Energy Group include the expected increased demand for renewable energy sources due to the EU Green Deal, the Paris Agreement and Türkiye's 2053 Net Zero Plan; the opportunity to contribute to the decarbonization goals of companies, customers and countries by diversifying the energy portfolio through increased investment in renewable energy sources; the opportunity to provide more efficient and secure energy management by investing in technologies such as energy storage and distribution, smart grid infrastructure; and the opportunity to invest in carbon capture, utilization and storage technologies. This may also provide a competitive advantage in the long term. In addition, all Holding companies may reduce their carbon emissions and increase their profitability by taking advantage of opportunities such as the transition to low-emission energy sources and the use of incentives, the use of new technologies, and participation in the emissions trading system.	<p>Zorlu Enerji aims to generate all of its electricity from renewable sources by 2030. It continues to invest regularly in renewable energy plants. It also commissioned a hybrid power plant that combines GPP and SPP, the first of its kind in Türkiye. With Yeniçiftlik WPP in Tekirdağ and Hamitabat WPP in Kırklareli, Zorlu Enerji will have the first electricity generation facilities with storage capacity in its portfolio.</p> <p>As part of its efforts to combat the climate crisis, Vestel plans to generate 11,882 MWh of electricity annually with 8,200 kWp of solar panels and reduce carbon emissions by 5,430 tons.</p> <p>Zorlu Tekstil collaborated with Zorlu Energy Group to certify the electricity energy it uses with I-REC.</p> <p>As part of its efforts to combat the climate crisis, Meta Nikel has started to provide some of its electricity from renewable sources by installing solar panels on the roofs of its plant buildings.</p>
Resource efficiency	It includes opportunities such as reducing the need for raw materials and natural resources as a result of increasing efficiency in processes such as production, distribution and transportation, transition to net zero buildings, and reducing water use. Waste can be reduced through waste management and recycling programs, and resources such as raw materials and water can be used more efficiently through reuse.	<p>Zorlu Holding and Group companies achieved a total of 280,777 MWh of energy savings and TL 24,5 million in financial savings through energy efficiency projects launched in 2023. In addition, Zorlu Holding, Vestel Beyaz Eşya and Vestel Elektronik pledged to prevent the reduction and use of plastics by the end of 2023 as part of the Business Plastic Initiative launched at the end of 2019. Vestel Beyaz Eşya has received approval to use recycled plastic in some parts of its products. Vestel reduces the use of resources and produces more economical products by making all of its operations smart and digital through innovative technologies.</p> <p>Zorlu Enerji's natural gas power plants in Lüleburgaz and Israel achieve energy efficiency by using a cogeneration system that generates electricity and heat energy together. In addition, cable waste generated throughout the activities and during the installation of electric vehicle charging stations is reused with an environmentally friendly approach.</p> <p>The Joint Industrial Data Exchange Pipeline (JIDEP), one of Zorlu Energy Group's R&D projects, focuses on the recycling of composite materials such as wind turbines and aims to reuse these materials.</p> <p>Korteks' polymer recycling facility produces RPET Chips, the raw material for polyester yarn, from plastic bottles and other waste yarns, thus ensuring that plastic waste is recycled into the circular economy. Zorlu Tekstil's curtain treatment plant contributes to recycling without creating high investment costs by prioritizing resource efficiency with its wastewater recovery project.</p>
Products and services	<p>In addition to the development of low-carbon products and services, it includes opportunities such as increased demand for climate-sensitive solutions, increased R&D and innovation investments, and enrichment of product and service diversity. Vestel Group can develop products and solutions based on low-carbon technologies, and the increasing demand for products such as products that boost energy efficiency or smart home technologies may create new opportunities.</p> <p>In the Energy Group, renewable energy generation stands out as one of the sectors that create the most opportunities in the green transformation process. Zorlu Energy Solutions (ZES) electric vehicle charging station network creates opportunities for transition to a low-carbon economy.</p> <p>In terms of Meta Nikel, the nickel and cobalt being among the critical minerals needed in renewable energy technologies such as wind turbines, solar panels, etc. and in the production of electric vehicles and other batteries may create indirect opportunities. There are also opportunities for new products as the waste generated by the processes contains Rare Earth Elements, which are used in many strategic areas from electric cars to energy storage systems.</p>	<p>Zorlu Group contributes to increasing the use of electric vehicles by expanding the use of electric vehicle charging stations under ZES brand in Türkiye and electrip in Europe. In 2023, 1,728 new charging stations were put into service in 635 locations. At the same time, the ZES brand added a new solution to its sustainable energy solutions by starting to produce high-end solar panels.</p> <p>Vestel invests in the development of new products and services that mitigate and adapt to climate change, such as air conditioning solutions, renewable energy solutions, energy and water efficient products, electric vehicle chargers and batteries.</p>

AUDIT

The Audit Department, which undertakes the audit of Zorlu Group companies, consists of the Internal Audit and Ethics Directorate, Financial Audit and Tax Audit Departments. Duties of the Department include ensuring the effective and efficient use of resources, auditing compliance with written rules, conducting audits to ensure the accuracy, reliability and security of information and performing consultancy activities with reasonable assurance within the framework of the annual audit program developed based on risks and approved by the Board of Directors.

At monthly evaluation meetings, the Audit Department, CEO and Board Members evaluate planned and realized activities such as audits, consultancy and special examinations, and share the findings identified accordingly. They share findings, review action plans and follow-up results based on these findings, and then review plans for the upcoming period.

You can find more information about Zorlu Holding Audit Department under the “Audit” heading in the [2023 Zorlu Holding Annual Report](#).

INTERNAL CONTROL SYSTEM

Establishing an effective internal control mechanism in all operations and processes is among the key components of responsible and sustainable management. The Internal Control department contributes to the Group’s development in terms of corporate governance by carrying out activities based on needs and a risk-based plan, taking into account the new business models, risks and technological requirements brought about by the emerging business world. Efforts to improve internal controls at Zorlu Group companies are carried out through a centralized structure coordinated within Zorlu Holding, as well as team structures, some of which operate in the field, responsible for the internal control coordination efforts of sectors and companies. The Holding’s Internal Control and Corporate Risk Management Department aims to develop internal control mechanisms that will work in a consistent and integrated manner to ensure effective and efficient risk management in line with the objectives of the Group companies through sector-specific Internal Control Assistant Managing Directors. To this end, we coordinate the development and maintenance of processes and internal control systems in order to share, increase, disseminate and ensure the implementation of companies’ best practices.

Purpose, duties and authorities of the Internal Control Department, its working methods and the professional and ethical rules it adheres to are defined in documents such as the Internal Control Regulation and the Internal Control Handbook and shared with the relevant managers. In addition, the basic internal control principles intended for implementation in our Group are set by the Zorlu Holding Internal Control Framework and shared in its current form through the internal communication portal Zone.

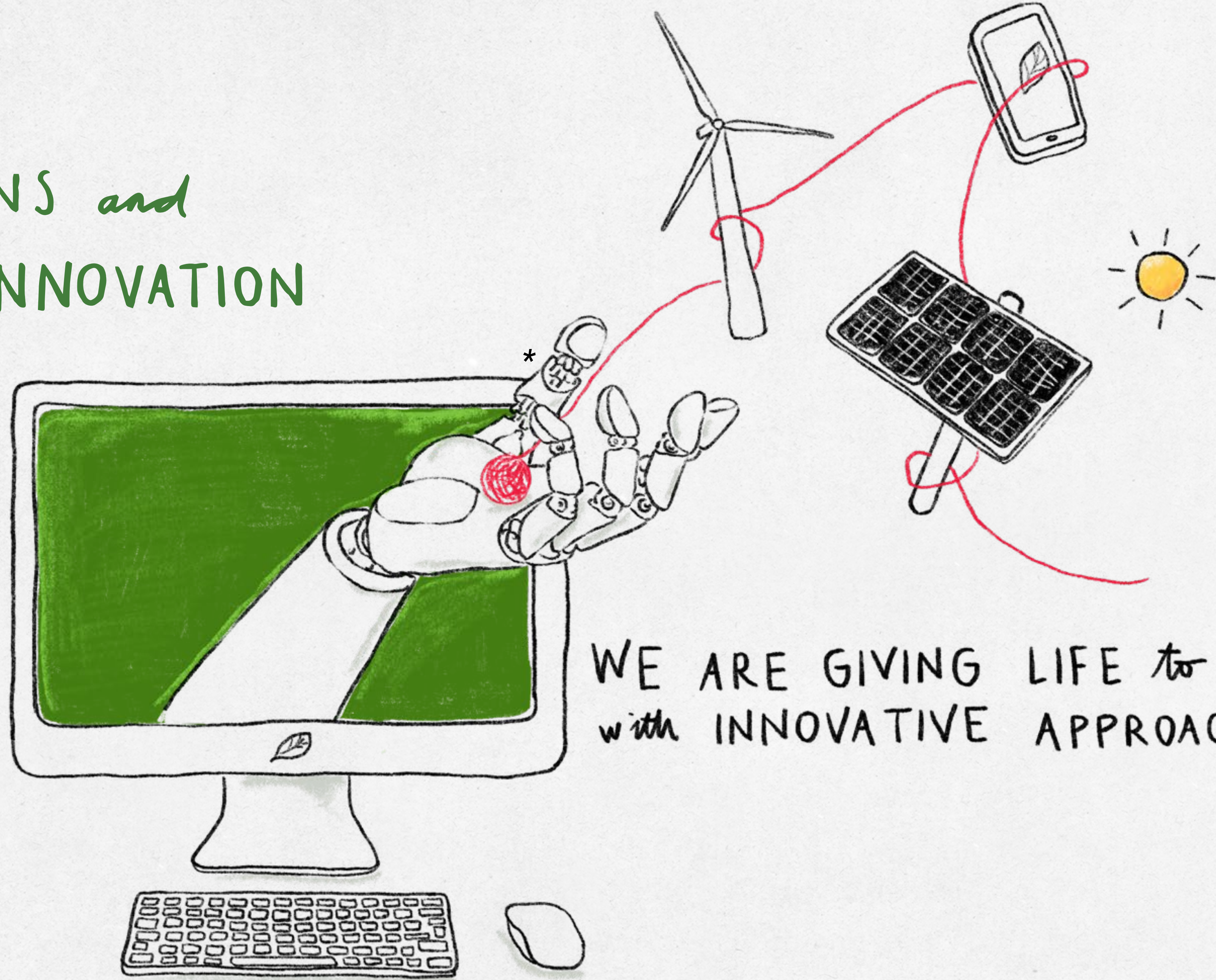
The Internal Control and Enterprise Risk Management Department prepares an annual risk-based internal control work plan. In formulating the internal control plan, Zorlu Group considers the objectives of

the organization, risk-based assessments conducted by the Internal Control and Corporate Risk Management Department, requests from the Board of Directors, the Risk Committee, and management, internal control-related findings identified by the Audit Department in their audits, as well as corporate risk maps. The annual internal control work plan is submitted to the opinion and approval of Zorlu Holding CEO and the opinion and information of the Risk Committee.

The Internal Control and Corporate Risk Management Department supports managers and employees in identifying areas open to improvement in processes and the internal control system and the steps to be taken in this regard, the effective and efficient use of information technologies in the implementation of these steps, the implementation of the agreed action plans, as well as their regular monitoring. It also offers continuous guidance to managers and process owners on these issues. Regular meetings are held between the Internal Control Department and the Management and Risk Committee to evaluate the internal control activities planned and carried out throughout the year and to share findings. Decisions on action plans and the follow-up results of these findings are evaluated to review plans for the next period. All relevant managers and employees of Group companies contribute to the establishment, monitoring and evaluation of the internal control system and the implementation of necessary measures.

You can find more information about Zorlu Holding Internal Control and Corporate Risk Management Department under the title “Internal Control” in the [2023 Zorlu Holding Annual Report](#).

RADICAL COLLABORATIONS *and* DISRUPTIVE INNOVATION



WE ARE GIVING LIFE ~~to~~ FUTURE
with INNOVATIVE APPROACHES

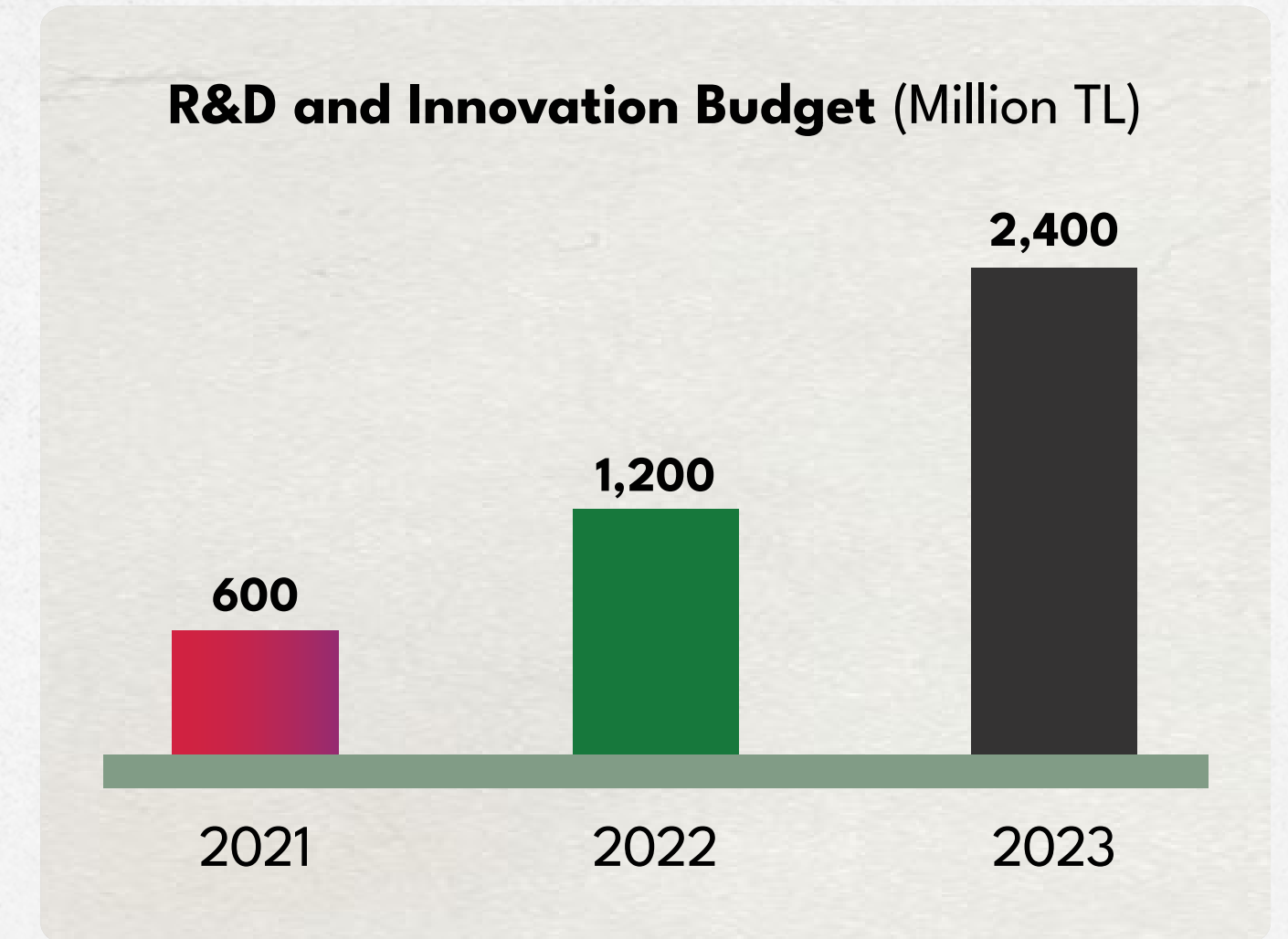
RADICAL COLLABORATIONS AND DISRUPTIVE INNOVATION

From ecosystem destruction and pollution caused by severe climate events to global inequalities and disinformation, many of today's environmental and social challenges require radical multi-stakeholder collaborations. By bringing together individuals with different backgrounds, perspectives and expertise, such collaborations provide a unique platform for creativity and innovation, and help scale the resulting value. This increases the likelihood of new solutions and technologies that challenge conventional thinking and address global crises more effectively and efficiently.

At Zorlu Holding, we aim to establish strong, functional and radical collaborations to develop a human-oriented business model in harmony with nature. These collaborations, which we have realized within the framework of the Smart Life 2030 strategy, enable our Group companies to achieve their goals, while we aim to respond to complex global challenges through multi-stakeholder structures.

Thanks to the collaborations we establish under the Smart Life 2030 strategy, we carry out comprehensive R&D and innovation activities in areas such as combating the climate crisis, transition to a zero carbon economy, Industry 4.0 and digitalization, cloud technologies, big data and artificial intelligence. In this way, we not only improve our performance, but also take decisive steps to improve the sectors and communities in which we operate.

Our Group companies play a role in building a sustainable future with their comprehensive and multi-stakeholder R&D and innovation processes. The budget we allocated for R&D doubled in 2023, exceeding TL 2.4 billion. More than TL 1 billion was invested in the development of low-carbon products and services. 160 patent applications were filed and 152 patents were obtained.



INNOVATION AND INDUSTRY 4.0 TRANSFORMATION AT ZORLU GROUP

VESTEL GROUP OF COMPANIES

Vestel continues to launch Industry 4.0 and digitalization applications through its wide R&D team. It responds to changing global trends and consumer needs with the power of R&D and innovation and develops innovative production processes that reduce environmental impact. To this end, Vestel continues to adapt today's technologies such as AI, IoT and autonomous systems to its production facilities at full speed. With the aim of being the first production facility in Türkiye to complete the Industry 4.0 transformation, Vestel City has completed its transformation to a great extent with the investments made since 2015, and all business processes are monitored with end-to-end digital systems.

Acting with the vision of achieving operational excellence in production, Vestel continues to work on Total Productive Management (TPM), which allows for proactive and holistic management. In this context, the integration of digital transformation and lean production structures enables the entire production process to be monitored instantly in the digital environment, and production data to be monitored in real time by establishing a connection between the machines in the factories. Vestel Beyaz Eşya, which implements digital transformation projects quickly and cost-effectively with its robotic and autonomous systems with advanced software, mechanical design, automation, simulation, maintenance and investment infrastructure, continues to work within the framework of operational excellence by improving its work in the robot - machine - human triangle.

In its smart life journey, starting with the smart home concept, Vestel focuses not only on smart devices and smart cities, but also on building revenue-sharing based business models around them. Work continues at full speed on the big data platform, the first steps of which were taken in 2022 to develop an ecosystem that can serve all connected products and work in harmony with current technologies and voice assistants.

Aiming to achieve high and strong growth in the mobility sector as part of its future agenda, Vestel considers the electric vehicle ecosystem as a critical growth area in terms of human life and environmental impact. In addition to the electric vehicle chargers it offers to the market, Vestel has completed R&D studies on direct current (DC) charging units that enable fast charging, and is also working on software for the management of charging points. Thus, while positioning itself

as the solution partner of corporate customers with the electric vehicle chargers it produces, it continues to work towards the needs and expectations of consumers.

Vestel's work in this sector also stands out with the mini LED screens it supplies to Togg vehicles, which are not available in many electric vehicles. The company's connectivity products and professional displays projects, which the company created by combining its expertise in the electronics industry with mobility, were accepted to the "Technology-Oriented Industry Move" incentive program, which aims to support the production of value-added, high-tech products with domestic facilities, carried out by the Ministry of Industry and Technology in 2023.

Vestel collaborates with many national and international institutions and organizations, particularly universities, with a focus on R&D and innovation. With the vision of bringing these collaborations together with an open innovation approach, thesis studies are carried out with students under the supervision of faculty members to develop solutions for Vestel projects, and students are mentored in various PhD programs. While the network of radical collaborations is expanding with the multi-partner technical approaches of Horizon projects, as of the end of 2023, the company has four active Horizon 2020 and two Erasmus+ projects, as well as one project under the Call for Bilateral Cooperation.

Establishing professional collaborations in technological fields with more than 80 industrial partners, including companies such as Google and Amazon, Vestel also plays an active role in organizations that represent the sector and the business world such as the Turkish Industry & Business Association (TÜSAİD) and the White Goods Manufacturers' Association of Türkiye (TÜRKBEŞD) Technology Development Foundation of Türkiye (TTGV), the Electronic Devices Manufacturers Association (ECİD), the Telecommunication Satellite and Electronic Industrialists Business People Association (TUYAD), the Automotive Suppliers Association of Türkiye (TAYSAD) and the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) and closely follows developments and cooperation processes. It provides opinions on legislation and standardization activities in its fields of activity.

More information on innovation and Industry 4.0 transformation is available in the "Production and Innovation Power" section of [Vestel Elektronik 2023 Integrated Annual Report](#).

ZORLU ENERGY GROUP

Zorlu Energy Group shapes its R&D and innovation activities around five main focus areas: renewable and clean energy solutions, energy efficiency and low-carbon solutions, digitalization, digital transformation and smart energy systems, sustainable cities and infrastructure, and circular economy and waste management. Each focus area plays a critical role in Zorlu Enerji's impact-driven growth strategy and supports the company's vision to develop innovative, effective and sustainable solutions to global energy challenges. In 2023, Zorlu Enerji allocated approximately 31% of its R&D budget to developing low-carbon technologies.

Zorlu Energy Group aims to reduce the greenhouse gas emissions of geothermal power plants with its geothermal gas emissions control project [GECO](#). Implemented in geothermal fields, the project aims to reduce carbon emissions to a great extent by pumping the gases released during electricity generation, which also contain carbon dioxide, back into the reservoir. Thus, it aims to increase the share of green energy generated in total energy to 100%. Patent registration of the project was obtained in 2023.

Having received support from Horizon 2020, the EU's largest R&D and innovation program, with the project called GeoSmart, Zorlu Energy Group continues to work on storing geothermal fluid in liquid and vapor phase at Kızıldere GPP and the sites in Insheim, Germany, evaluating the effects of Concentrated Solar Power (CSP) and biomass technologies that can be integrated into geothermal power plants on power plant performance, and reducing re-injection temperatures for more efficient use of the resource. The project aims to integrate high-efficiency renewable technologies into combined heat and power plants, test new equipment and technologies by conducting field applications internationally, and share the knowledge gained in this process.

Through the Integrated Planning of Multi Energy Systems (PlaMES) project, Zorlu Energy Group aims to create and shape the low-carbon market of the future. The project aims to boost efficiency by integrating generation and storage systems as well as transmission and distribution networks in the planning and operation phase. This project aims to analyze distribution network flexibility and required capacity using energy flexibility to reduce carbon footprint and increase green energy.

OEDAŞ (Osmangazi Elektrik Dağıtım A.Ş.) takes part in the Big Data Solutions for Open Innovative Energy Marketplace (BD4OPEM) project for the efficient integration of digital technologies into the energy sector. The project aims to minimize the impacts of the changes in energy production and consumption profiles as a result of the introduction of new technologies into our lives on the grid.

The FlexiGrid project, supported by Horizon 2020, aims 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 state-of-the-art energy storage, distributed energy systems and demand response equipment, thereby establishing a low-cost, flexible and scalable distribution network. This system encompasses digital smart grid technologies, vehicle-to-grid energy transfer technologies, as well as a transparent data management system using IoT and blockchain technologies. Four pilot countries - Bulgaria, Sweden, Switzerland and Türkiye - were selected to implement the project. OEDAŞ's areas of responsibility have been selected as the region in Türkiye where the project will be implemented. As part of the pilot project, OEDAŞ successfully completed the installation of Vehicle to Grid (V2G) compatible charging stations and battery storage systems in Eskişehir region.

Approved by EMRA R&D Commission, the R&D project titled "Polyethylene Lines Off-Channel Domestic Gas Cutting Equipment" was successfully completed in 2023. The project enables field operators to cut off natural gas pipelines quickly and safely.

GeoPro, another R&D project of Zorlu Energy Group, aims to find a wider use for geothermal energy, one of the renewable energy sources, and to develop and integrate innovative methods in the field in order to build a low-carbon and climate-resilient future.

The eCharge4Drivers project is among the investments and projects undertaken with the vision of launching next generation technological solutions. The project aims to address the challenges electric vehicle drivers face in finding suitable charging solutions. eCharge4Drivers aims to improve the electric vehicle charging experience for urban and intercity travel. In this context, pilot projects are planned in 10 different regions of Europe, cities and the Trans-European Transport Network (TEN-T), based on users' expectations regarding charging options, mobility and parking habits.

You can access the Stories from Us video about Zorlu Energy Group's eCharge4drivers project [here](#).

ZORLU TEXTILES GROUP

Zorlu Textiles Group is working hard for a more livable world and future. It benefits from public incentives for its open innovation activities. It continues to develop projects in the fields of new product and service development by establishing long-term collaborations with universities, institutes and research centers.

Carrying out R&D activities to reduce the negative environmental impact, Korteks continues to work on products that use a combination of bio-based content and recycled yarns. TAÇ BIOLOOP® was developed to reduce the persistence of fugitive synthetic microfibers, which is caused by textiles. The biodegradability of TAÇ BIOLOOP, a non-toxic polyester filament yarn for marine life, has been proven in tests conducted at various standards. Under its R&D activities, the company strives to add new functional features to its products and to develop them in line with customer demands. In addition, its work saves energy and water by reducing the temperature required for the dyeing process of yarns.

Zorluteks [Curtain Treatment Plant Wastewater Recovery Project](#) performed disinfection, sand filter and activated carbon treatment of water discharged as wastewater, and obtained water of a quality that can be reused in certain processes. With the support of technological infrastructure, it uses this water to wash the dyed printing screens. Zorluteks continues to contribute to recycling by prioritizing resource efficiency through the R&D activities of its teams.

Zorluteks continues to develop new products with the philosophy of minimalism, aiming to use fewer resources starting from the design stage. The first product range with a reduced carbon footprint designed under these efforts was launched under the name Reborn. This new product range has been verified to reduce the carbon footprint by 50% compared to conventionally produced reactive printed products, according to ISO 14067 Standard.

Zorlu Textiles Group also benefits from public incentives for its open innovation activities. It continues to engage in projects in the fields of new product and service development by establishing long-term collaborations with universities, institutes and research centers.

META NIKEL

In line with the Smart Life 2030 strategy, Meta Nikel is making sustainability a way of doing business and mobilizing R&D and innovation to produce the raw materials of the future and become the heart of the industry. Meta Nikel R&D Unit focuses primarily on improving existing products, reducing costs in the process, increasing capacity, developing products in high value-added forms and at the same time focusing on being an enterprise with low environmental impact, while continuously improving itself with new technologies.

Focusing on product and process development by following innovations with its technology and innovation-oriented approach, Meta Nikel has achieved success by applying the magnetic separation technology developed for the enrichment of nickel ore in its facilities with this vision. This new technology boosts production capacity by economically processing ores with low nickel content. It also reduces carbon emissions by removing carbon minerals before they enter into the system and reduces the consumption of chemicals such as sulfuric acid. In this way, it makes significant contributions to achieving both production capacity and sustainability targets.

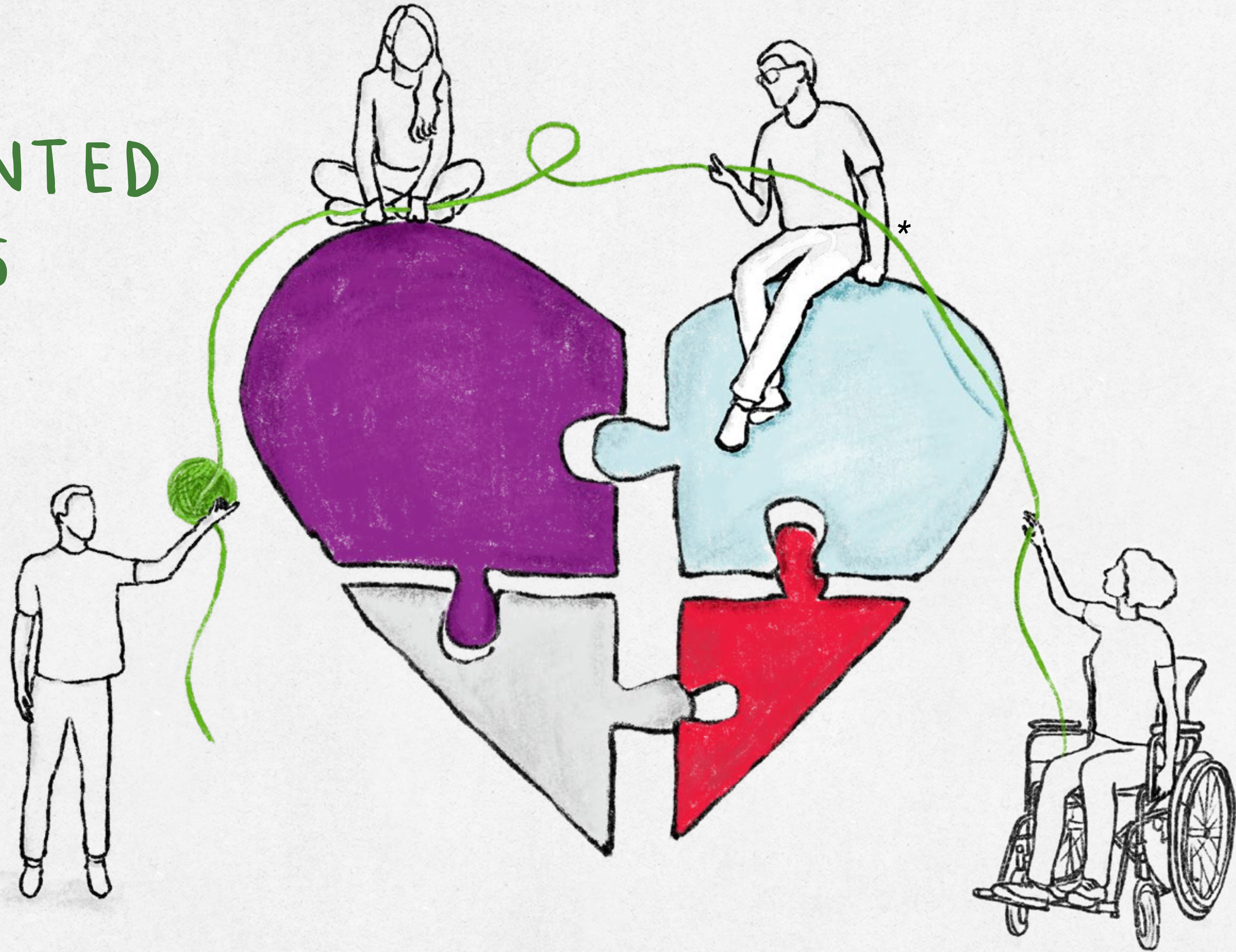
At Meta Nikel's Gördes facility, nickel ore is processed through open mining and Mixed Hydroxide Precipitate (MHP) continues to be produced after certain chemical processes are employed. Under R&D studies, MHP product is purified from some undesirable impurities with high-tech separation methods and high purity nickel metal is obtained. The project aims to produce metallic nickel main product on a pilot scale and to obtain one ton of product per year.

Through the R&D studies carried out on the end products of Scandium (Sc), which is one of the rare earth elements and used in many areas including alkaline batteries, efforts are being accelerated to obtain value-added products. Installation works are ongoing for the facility, which will produce 10 tons of Sc-conjugate Sc (OH)₂ (Scandium Hydroxide) per year.

Aiming to focus on domestic and national raw materials by reducing foreign dependency, Meta Nikel continues to work on opening an R&D center in Ankara. Under the company's R&D strategy, R&D center and TÜBİTAK projects were carried out in 2023. These projects include the recovery of precious metals from waste, the disposal of SO₂ and CO₂ with high emission content in flue gas, the development and production of Li-ion battery components, a first in Türkiye, and the enrichment of low-grade lateritic Ni-Co ore by reduction process. A patent application has been filed for the reactor within the scope of the project, and the evaluation process is ongoing.

Intending to be among the best in its field in the production of nickel and cobalt that are highly preferred and most important elements in electric car battery technology, Meta Nikel also plans to support electric car batteries under Türkiye's Automobile Initiative Group TOGG, one of Türkiye's most important projects.

HUMAN-ORIENTED ECOSYSTEMS



HUMAN-ORIENTED ECOSYSTEMS

We are facing changing workforce dynamics such as the shift from remote to hybrid working, the advancement of artificial intelligence and talent-based recruitment. Companies that can develop a talent strategy to manage these trends and integrate them into their core business strategies gain a competitive advantage both in talent management and in achieving the strategic goals of their organizations. On the other hand, the talent needs of organizations are also emerging. 21st century skills are rapidly coming to the fore and employees are expected to keep their skills up to date. A workforce that can adapt to new AI tools emerging in the digital age is becoming critical. On the other hand, in a globalized world, employees who interact with different markets and cultures need not only technical skills but also intangible and behavioral skills. The need to identify, close and prevent talent gaps is becoming more important than ever for organizations. In the dynamic environment of the business world, it is well known that a company's success is tightly linked to human-oriented transformation.⁸

Our Goals*

- › Investing in the Future of Work, leading the charge in inclusion and diversity
- › To be among the best employers in all sectors in which we operate
- › Achieving a 100% sustainable supply chain by 2030 (primarily strategic suppliers)
- › Pioneering in social investment and to allocate 1% of EBITDA every year to Sustainable Development Goals

*Performance against goals is available [here](#).

51% of employees who report that their job requires specialized skills expect the skill set required by their job to change in the ensuing years. However, nearly two-thirds of employees feel that their companies and managers will support them in developing the digital, analytical and other skills they will need. Assessing the impact of AI on their careers, 52% expect positive effects, 32% think it will increase productivity at work, and 27% consider AI as an opportunity to gain new skills.⁹

In the midst of this transformative process, at Zorlu Holding, we are actively monitoring the shifting dynamics of the workforce and striving to comprehend their implications on our business. In an environment where the skills expected from employees are changing, we are creating new strategies to get prepared as employers and to adapt our workforce for the future. Embracing a human-oriented approach, we prioritize the emerging trends in employee empowerment by implementing programs aimed at attracting, retaining, and developing talent while prioritizing employee happiness. We adopt common values such as **gender equality and equal opportunities** in our Group companies and carry out programs focused on **diversity and inclusion**. We are committed to creating value for employees, society, business partners, suppliers and customers. We support the sustainable economic and social development of the regions in which we operate and carry out programs with our **common value and benefit-based social investment** approach.

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[9 Future of Work Trends for 2024, Gartner](#)

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[Global Workforce Hopes & Fears Survey 2023, PwC](#)

EMPLOYEES

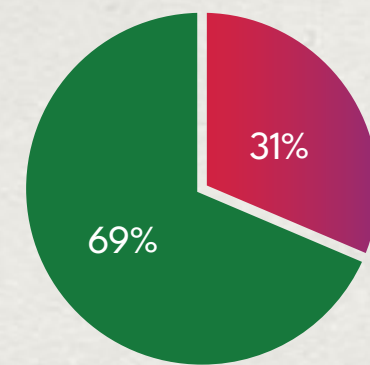
DIVERSITY AND INCLUSION

Despite the profound changes in the global business landscape in recent years, companies that have embraced a culture of diversity and inclusion, and whose leadership teams are more diverse in terms of gender, ethnicity and experience, are associated with higher financial returns. Moreover, these companies not only achieved financial success but also increased their social and environmental impact scores. It is emphasized that diverse leadership teams can help strengthen social inclusion and positively impact the company's overall image.¹⁰ This makes it more likely that the company will be able to recruit and retain new talent. In companies that identify the values of diversity and inclusion with their corporate culture, employees are better able to express themselves and take a more proactive and innovative approach to problem solving.

Through our inclusive and unifying corporate culture, we respect differences such as religion, language, race, ethnic origin, gender and sexual orientation in all human resources processes from recruitment to wage management, and we carry out all our business processes in the light of an equal opportunities policy. We focus on dynamism, innovation and creativity in human resources processes and do not tolerate discrimination. Throughout the year, we organize various trainings and activities with the aim of taking a leading role in ensuring equal opportunities in the business world and society, adopting the approach of creating an inclusive corporate culture nourished by diversity.

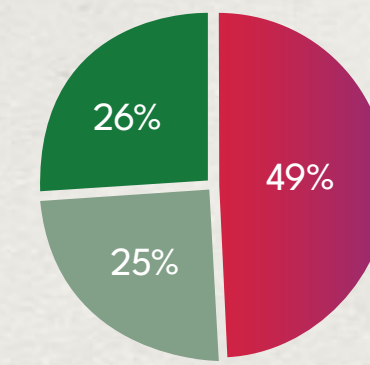
In 2022, we organized a diversity and inclusion workshop with the participation of the corporate communication and human resources teams of Group companies and identified our focus areas according to the outcomes of this workshop. Following this event, we conducted group workshops with the participation of representatives from the human resources teams of all Group companies and created action plans specific to human resources functions in line with the focus areas identified. In 2023, we continued to work in line with these focus areas, strategies and action plans.

EMPLOYEES by GENDER (%)



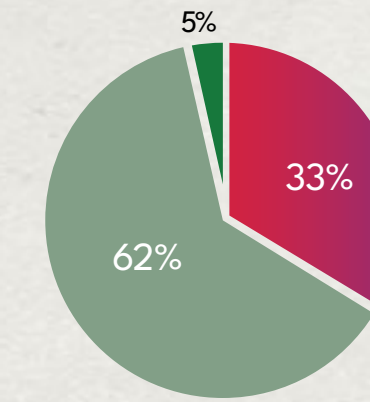
Female Male

EMPLOYEES by WORKING DURATION (%)



0 - 5 years 5 - 10 years 10 years and above

EMPLOYEES by AGE (%)



Under 30 years 30 to 50 years 50 years and above

“ Under our Smart Life 2030 sustainability vision, we advocate equal opportunities in all areas of life with the joint efforts of all Group companies. We are working hard to strengthen our corporate culture based on inclusiveness and to raise the awareness of all stakeholders in our value chain on gender equality. ”

Selen Zorlu Melik
Zorlu Holding Board Member and
Sustainability Committee Member

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[Diversity Matters Even More, McKinsey & Company](#)

GENDER EQUALITY

As the world struggles to erase the traces of the pandemic, climate change-related events and social conflicts have devastating consequences, further deepening gender inequality.¹¹ It is estimated that it will take 131 years for the world to achieve gender equality. Due to the slow pace of post-pandemic recovery and the effects of the climate crisis, women's labor force participation and access to economic opportunities remain at low levels. It is estimated that the climate crisis alone could push an additional 158 million women and girls into poverty by 2050.¹² The economic crisis due to the increase in the cost of living is expected to further reduce women's earning potential and deepen the gender equality problem. While 90% of men in the most productive period of their working life participate in the labor force, this rate is 61.4% for women. Studies show that companies with significant gender equality and high diversity in leadership positions make more effective decisions and achieve better economic performance.¹³ It is of great importance that companies include gender equality among their corporate values and build their culture on equality.

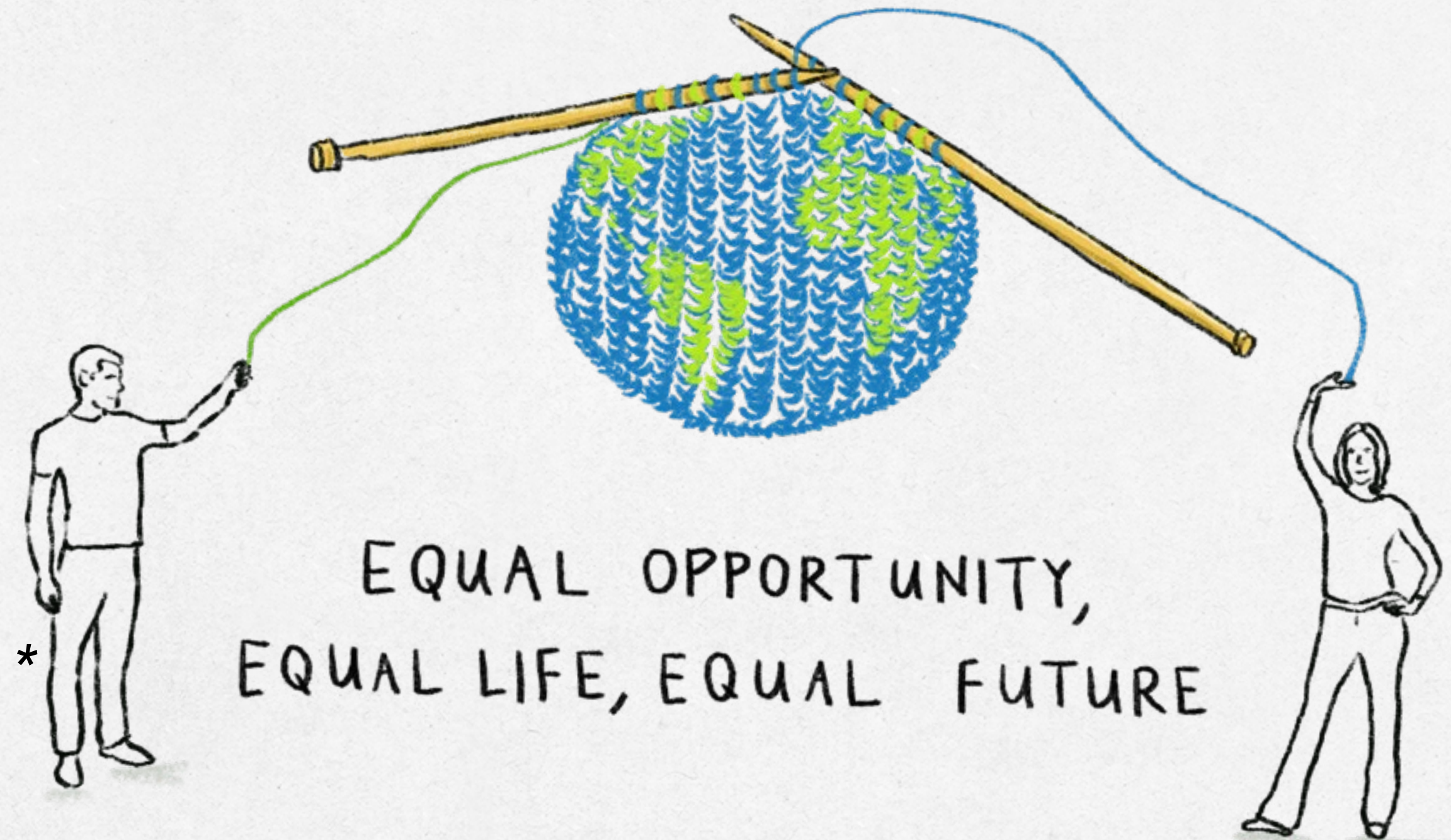
We consider gender equality as one of the most important building blocks of a sustainable society. Gender equality is one of the areas we prioritize within the scope of Zorlu Group's Smart Life 2030 sustainability vision. Since 2015, we have been a signatory to the UN Women's Empowerment Principles. We consider gender equality as a corporate policy and conduct our human resources processes in all our companies accordingly. We encourage women to strengthen their presence in social and economic life and increase their participation in the labor force. At all Zorlu Group companies, we engage in activities to increase the number of female role models and leaders within our organization and to ensure equal representation of women in senior management. In this context, we contribute to raising the knowledge and awareness of all our stakeholders on gender equality. We focus on creating a more inclusive business culture by considering equal opportunities in the main areas of discourse, work environment and cooperation with stakeholders. Workshops, trainings and communication campaigns, as well as the collaboration platforms

and representations we have structured to raise corporate awareness and encourage change, serve this goal. We advocate gender equality in all areas of life and strive to work with a vision that leads the sectors in which we operate together with our Group companies.

Eşit bi' hayat

We developed the Eşit Bi'Hayat approach (An Equal Life) in order to support gender equality within the organization and to carry it out under a single roof. In line with the Smart Life 2030 vision, we have built this approach to create value in the focus areas of Employees and Community Relations along Zorlu Holding's journey to achieve its sustainability goals. Our goal was to reinforce action areas that will promote gender equality and empower women in society in general and in working life in particular. The Eşit Bi'Hayat (An Equal Life) approach is based on Zorlu Holding's leadership mentality that extends from senior management to the grassroots. To this end, we organize projects together with the Gender Equality Committee consisting of the managers of our Group companies.

The Gender Equality Manifesto, through which we share our commitments and gender equality approach, is available [here](#).

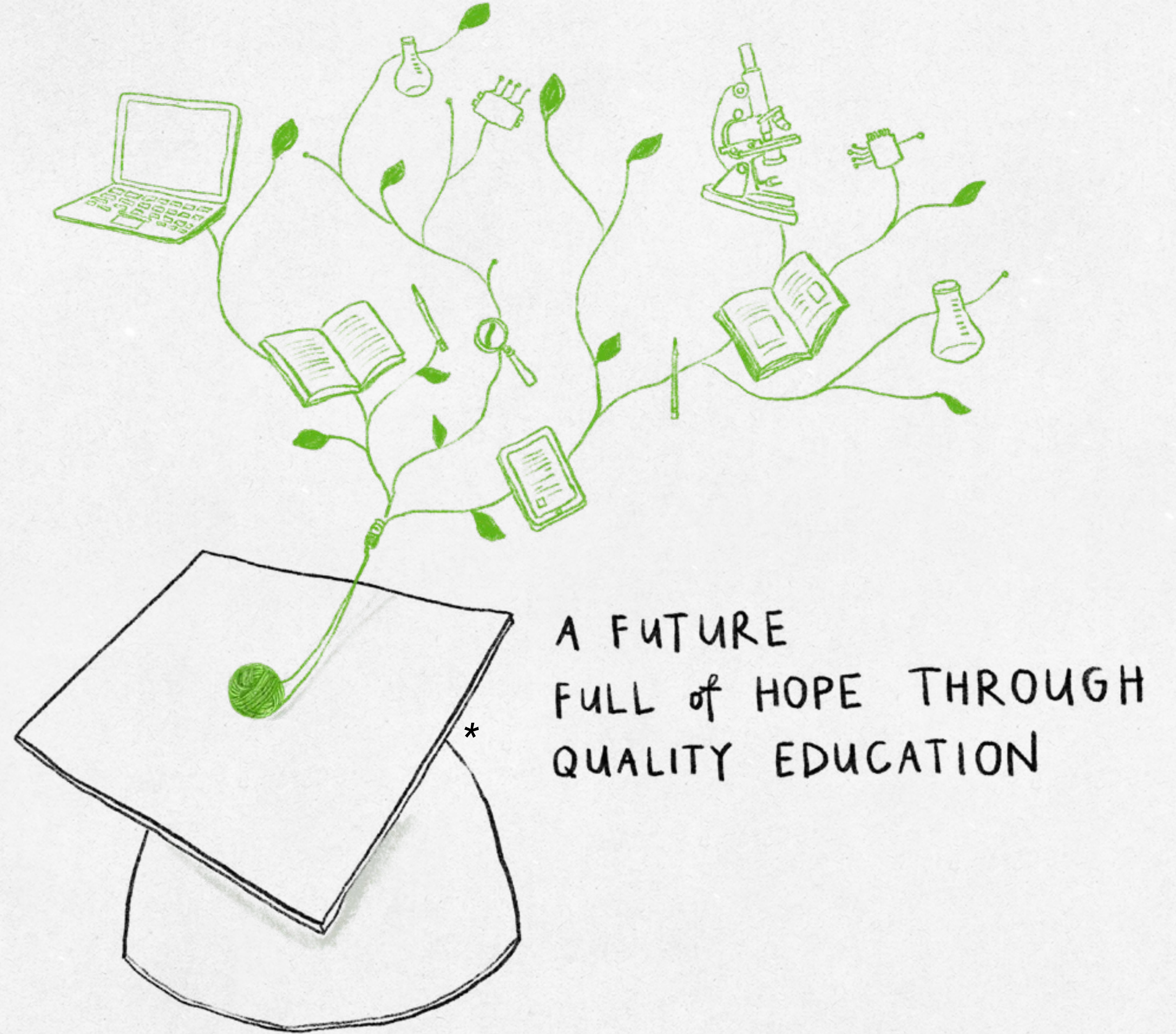


- 11 [Global Annual Results Report 2022: Gender equality](#)
- 12 [UN Women Gender Snapshot 2023](#)
- 13 [Global Gender Gap Report 2023 - WEF](#)

GENDER EQUALITY E-TRAINING

In order to increase the sensitivity and knowledge of all Zorlu Group employees on gender equality, we launched an e-training program, the curriculum of which was created specifically for our organization by Inclusion and Diversity Expert Ebru Nihan Celkan. The mandatory training we offer to our colleagues through Zorlu Academy, our corporate training platform, and in-class trainings focuses on important concepts such as gender and sex and gender-based prejudices through theoretical knowledge and real-life examples while addressing the key points of gender equality. Since 2022, 11,197 employees have completed the training provided through Zorlu Academy, and 2,691 employees completed the training in 2023.

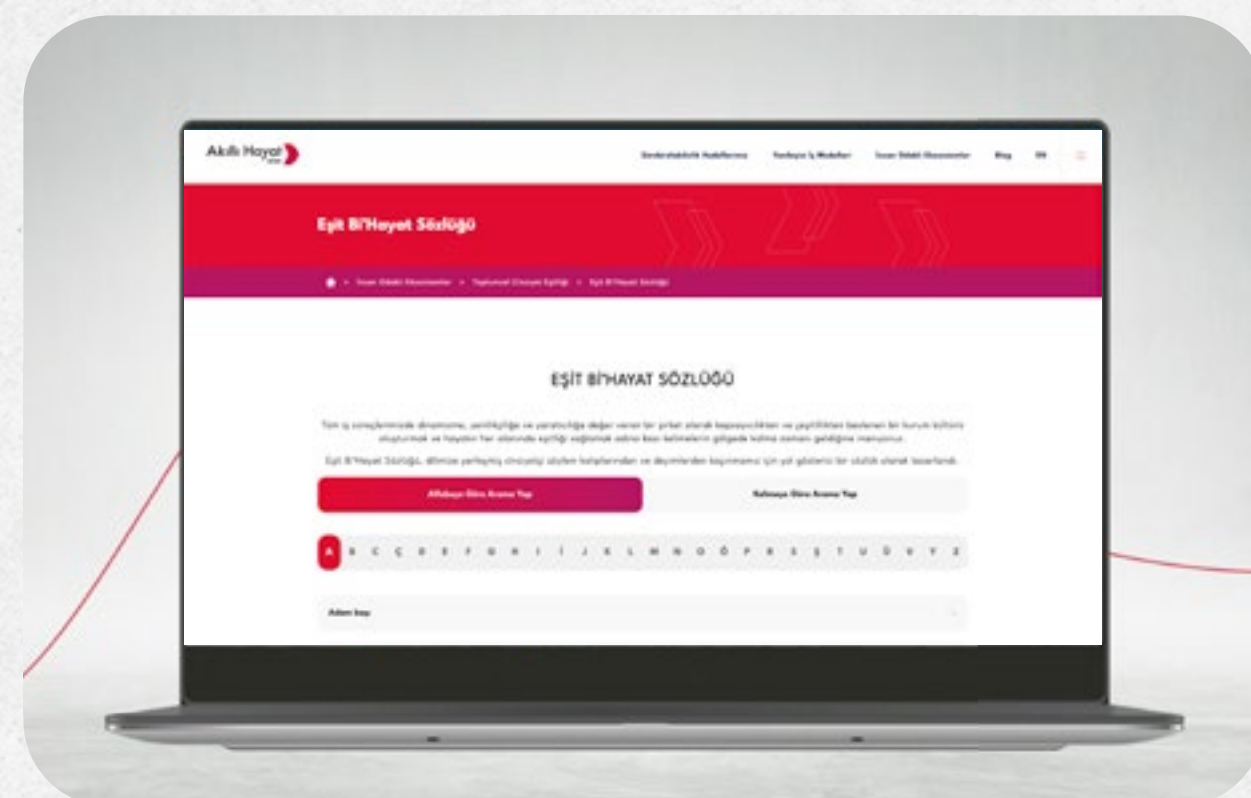
As we emphasize in the Eşit Bi'Hayat (An Equal Life) manifesto, we prioritize contributing to the awareness not only of our human resources but also of all our stakeholders in the value chain, from suppliers to customers. In order to combat many factors such as gender prejudices and sexist discourse, it is of great importance that all individuals in society achieve a basic level of awareness and knowledge. As Zorlu Group, as we transform in terms of gender equality, we also care about developing all our stakeholders in this regard and realizing a systematic and collective transformation. In this context, the majority of Zorlu Group employees participated in [gender equality training](#). In 2023, we made it accessible to all our stakeholders, with priority given to our organization's dealers, suppliers and service network employees. In this way, we aim to support everyone who wants to improve themselves on gender equality.



Eşit Bi'Hayat (An Equal Life) Dictionary

We recognize that using inclusive language is one of the most important steps we can take to achieve equality. In line with this approach, we took a concrete step in 2020 to eliminate the use of sexist expressions and to easily access discourses that we can use instead from an equality and inclusion perspective, and we prepared the Eşit Bi'Hayat (An Equal Life) Dictionary and published it as open source. This dictionary, which is open to the use of all our stakeholders, serves as a guide to help us avoid sexist phrases and idioms deeply ingrained in our language. In 2022, we transformed the idioms and expressions in the Eşit Bi'Hayat (An Equal Life) Dictionary into an application that can perform self-control in all Microsoft Office programs. With the practice we call "Discourse Control Mechanism", we ensure that sexist expressions are replaced with more inclusive alternatives in all internal correspondence and presentations. We are pleased that organizations that have similar approaches to the issue and aim to implement projects or mechanisms in this direction consider our work as an example of good practice and we are happy to share experiences with them in this focus.

You can explore the Eşit Bi'Hayat (An Equal Life) Dictionary [here](#).



Combating Domestic Violence

According to the Women's Murders in the Media in 2023 Report published by the Federation of Women Associations of Türkiye (TKDF), 438 murders of women took place in Türkiye. We care about fulfilling the responsibility given by our sphere of influence on violence against women, which is one of the most important social problems both in our country and in the world. At Zorlu Holding, we take a stance against all forms of violence and discrimination. In 2020, we participated in the Business Against Domestic Violence (BADV) initiative organized by Sabancı University Corporate Governance Forum in collaboration with TÜSİAD and supported by the United Nations Population Fund (UNFPA) and Sabancı Foundation. With the insights we gained from this event, we published our [Domestic Violence Prevention Policy](#). This policy encompasses various forms of violence and outlines internal and external communication channels available to our colleagues and their children for reporting and seeking support, along with relevant human resources policies.

We have established support and assistance mechanisms where our colleagues and their children who have been subjected to violence can safely and confidentially share their situation. In this context, we have developed mechanisms to ensure that our colleagues who are subjected to violence receive legal and psychological support.

In 2021, we created an [informative film](#) aimed at raising awareness about violence in society and providing individuals with guidance on available channels for seeking help and support if they experience violence.

Within Zorlu Group, we signed a protocol with TKDF to raise awareness of the Domestic Violence Emergency Helpline.

As every year, in 2023 we supported the 16 Days of Activism Campaign organized by UN Women against gender-based violence. We illuminated our Levent 199 and Zorlu Center buildings in orange as part of our activism campaign.

You can access Zorlu Holding's Domestic Violence Prevention Policy from this [link](#).



Equal Opportunities at Work

We support KAGİDER FEM, which aims to identify inequalities in processes such as recruitment, training, career planning and development and to end gender-based discriminatory approaches in business life. In 2019, Zorlu Holding was awarded the FEM Certificate, which certifies that all human resources processes are carried out with equal opportunities in mind, under the supervision of independent audit firms. In 2023, in addition to Zorlu Holding, our Group companies Vestel, Zorlu Enerji, Zorlu Gayrimenkul, Zorluteks and Hometeks received the FEM Certificate. The certificates were presented in 2023 at a ceremony hosted by Selen Zorlu Melik, Zorlu Holding Board Member and Chairperson of the Gender Equality Committee, and attended by Zorlu Holding Board Members, Group and Sector Heads, KAGİDER President and KAGİDER Board Members.

We organize Eşit Bi'Hayat (An Equal Life) Meetings with the participation of our managers and colleagues to strengthen our corporate culture based on inclusion and equality and to ensure that gender equality is addressed from different perspectives. We aim to raise awareness on this issue through meetings hosted by Zorlu Group executives, where we host opinion leaders from various sectors and fields and are inspired by the stories of our guests. 2 meetings were held in 2023. Zorlu Holding Board Member and Chairperson of the Gender Equality Committee Selen Zorlu Melik hosted Ebru Dildar Edin, Chairperson of the Board of Directors of BCSD Türkiye, for a conversation on the importance of equal opportunities in business life.

Zorlu Holding Human Resources Director Zülal Öztürk Kaya hosted Academician Prof. Kenan Çayır from Bilgi University at the Eşit Bi'Hayat (An Equal Life) Meeting organized on the occasion of the Human Rights Day. During the meeting, the participants had the opportunity to listen to the historical development of human rights and their reflections in the world.

Inclusive Collaborations and Supports

We have been a supporter of the 30% Club, which aims to increase the ratio of women to 30% in order to create gender balance in the decision-making mechanisms, boards of directors and senior management of companies in our country, since the day it was established in Türkiye and we have been taking an active role in its activities. We are also among the corporate supporters of the Women on Board Association.

We also have corporate representation in the Yanındayız Association, which works to ensure gender equality in Türkiye within the framework of universal human rights, and the Yeniden Biz Association, which advocates that taking a break from professional lives is not an obstacle to well-educated and experienced women for their career development. Between 2020 and 2023, as part of our Eşit Bi'Hayat (An Equal Life) approach, we supported IKSİV Istanbul Film Festival's "No More Flowers" selection, focusing on women and equality. In this context, before the online and offline movie screenings, we released short films through which we aimed to raise awareness on gender equality.

“Gender equality e-learning is one of the most important indicators of Zorlu Holding's commitment and approach to diversity, inclusion and sustainability. The fact that it is accessible to both employees and external stakeholders reveals the desire to expand this issue with a view to inclusiveness. Zorlu Holding continues to steadily advance and deepen a transformative journey where knowledge fuels action and sustainable progress thrives within an inclusive community.”

Ebru Nihan Celkan
Inclusion and Diversity Expert

EMPLOYEE ENGAGEMENT AND SATISFACTION

Employee engagement and satisfaction play an important role in the achievement of strategic goals such as sustainable business processes, long-term success and competitiveness for companies. It is known that high employee engagement and satisfaction rates are linked to high efficiency and productivity, increased reputation and business continuity in companies. Activities such as providing employees with a safe working environment, evaluating their feedback and including them in decision-making processes, and giving them space to develop their competencies also help to retain talent and attract new talent by increasing employee loyalty and satisfaction rates.

At Zorlu Holding, we position employee engagement and satisfaction as a critical priority in our strategic roadmap. We aim to maximize the added value created by our employees, who are our primary stakeholders, in a safe work environment. To this end, we offer our employees a transparent communication environment and carefully evaluate their feedback for a better work experience by providing an environment of mutual trust. We take actions in areas such as training, development and talent management in order for our colleagues to increase their competencies and improve themselves. We conduct activities to boost employee satisfaction in our Holding and Group companies, and identify areas for improvement through research and surveys. We analyze these assessments in each company's own sector and create improvement roadmaps. We aim to measure the results of our efforts to increase employee satisfaction and loyalty every two years and plan our efforts to make continuous improvements based on the measurement results. In 2021, Zorlu Group's overall employee satisfaction rate stood at 72%, while the employee engagement rate was 56%. An employee satisfaction survey could not be conducted in 2023, but work is in progress for the completion thereof in 2024.

THE FUTURE OF WORK AND WORKFORCE MANAGEMENT

Three out of four employers worldwide say they struggle to find the talent their companies need. Information technology and data skills stand out as the most challenging issue regardless of sector and geography.¹⁴ The rapid advancement of technology, globalization and demographic changes bring about new trends and competencies. Expectations of the workforce are changing, and the need for companies to identify and develop these competencies, attract new talent and retain existing talent to maintain their sustainable success is deepening. With a close focus on the future of the business world and global workforce trends, we conduct purpose-driven studies that encompass employee demographics and expectations across all our Group companies. As of 2023, we have more than 32,000 employees we are committed to supporting their growth by providing opportunities to enhance their skills and develop the competencies necessary for the future. We take care to provide a decent, fair, equal and inclusive working environment for all our employees.

14

[Global Talent Shortage 2024,
Manpower Group](#)

TALENT MANAGEMENT

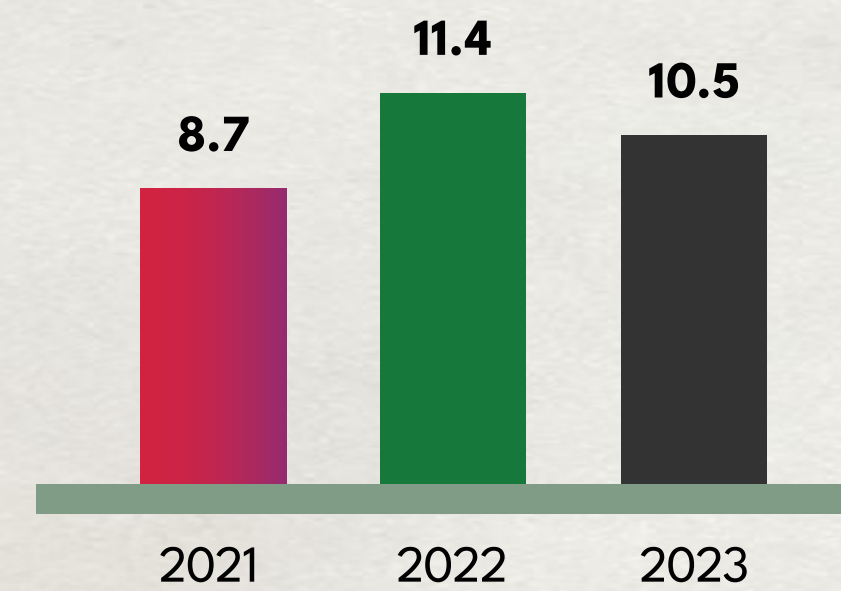
In recent years, many trends such as the global pandemic, the development of technology and economic fluctuations have led to the search for increasing efficiency in the business world. Organizations believe that the most effective way to increase productivity is to equip the workforce with new competencies and improve their skills. Against the risk of talent gap, which 48% of HR leaders consider as the biggest threat, optimizing business efficiency by redesigning business processes, separating and redistributing tasks to departments requiring different competencies is considered as a solution.¹⁵ Filling positions with internal candidates by redeploying existing talent according to the skills needed is a method that has become more common in recent years.

At Zorlu Holding, we know that a talented workforce is critical to the sustainability of our business and the achievement of our Smart Life 2030 goals. We develop diverse career paths to cultivate future business leaders who will have a positive impact, and we implement talent management programs to attract and nurture the next generation of talented individuals. **We aim to be one of the most preferred companies by employees in the sectors in which we operate.** We care about and evaluate our employees' innovative approaches that will add value to our business models, and support their entrepreneurship and problem-solving skills through platforms where they can freely share their ideas.

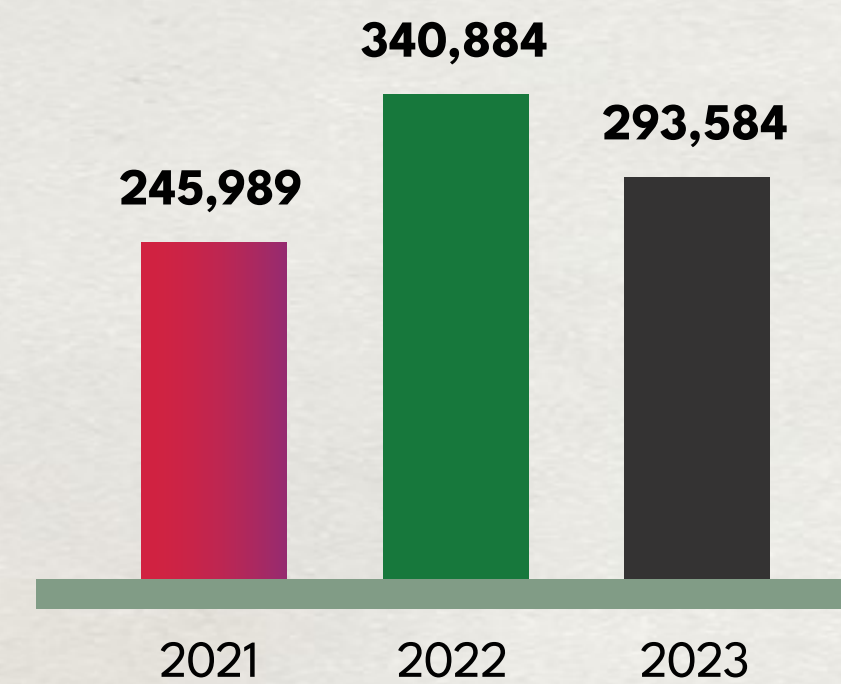
We organize various training and development programs throughout the year to encourage employees to improve their skills. In 2023, we provided a total of 293,584 person*hours of training to our employees, reaching 10.5 hours of training per person.

We support our employees in planning their career journeys, thus directing existing talents to different fields in line with ever-changing global trends. We offer a wide range of horizontal and vertical career development opportunities throughout our Group companies, enabling employees to advance their careers and strategically rotate between roles that align with the changing needs of our organizations. In addition, we actively use the **Human Resources Information Systems** infrastructure, which we developed by focusing on digital transformation processes, and conduct feedback-oriented employee performance appraisal through this platform.

Average Training Per Employee (hours)



Total Training Hours (person x hours)



15

Global Talent Trends 2024,
Mercer

Parlak bi' fikir!

(A Bright Idea)

At Zorlu Holding, we foster a culture of innovation by empowering employees to leverage their corporate experience and entrepreneurial mindset through our intrapreneurship program, Parlak Bi'Fikir (A Bright Idea). This program aims to strengthen our corporate culture and fuel innovation within the organization. Through the Parlak Bi'Fikir (A Bright Idea) program, we aim to encourage the entrepreneurial spirit in Zorlu Holding and Group companies, reinforce an innovative corporate culture, strengthen the competencies required for the new era such as resilience and agility, and prepare for the rapidly changing and transforming conditions of today's business world.

AbilityPool, ConectoHub, Geliver and Ne Ekersen teams, which received investments from Vestel Ventures in the first two cycles, continue to work as a venture in partnership with Zorlu Holding, while Selffix continues to work as an internal project within Vestel.

Preparations for the third cycle of the program continued in 2023, with the new cycle targeted to be launched in 2024.

You can access Zorlu Innovation Portal [here](#).

Vestel Management Trainee Program

Vestel continued to organize its Management Trainee (MT) Program, which was launched in 2009 to train leaders who will shape the business world of the future, in 2023 with the academic support of Türkiye's leading universities. The program, in partnership with Koç University, empowers management candidates by providing them with academic and professional training opportunities that foster their professional and personal growth. Within the scope of the program, candidates have the opportunity to do internships in different units of Vestel Group of Companies, as well as work with managers at various levels and experience the corporate culture and ways of doing business.

The 14th Vestel MT Program was organized in 2023, as a hybrid program with the participation of 15 recent graduates from Türkiye's leading universities and in cooperation with Koç University. After completing the program, all management trainees started working at Vestel. Young trainees received a total of 3,525 hours of training on 12 different topics throughout the training program.

Akıllı Hayat Akademisi



Smart Life Academy

Aligned with our Smart Life 2030 vision, Zorlu Group prioritizes human-oriented ecosystems and regenerative business models to generate significant value across ESG areas, fostering sustainable growth and benefiting all stakeholders involved. We organize trainings and various events to increase the knowledge and awareness of all Group employees on sustainability-related issues. In cooperation with Boğaziçi University Lifelong Learning Center (BÜYEM), we have been organizing training programs since 2019. In these trainings, we address the most recent developments and approaches in the world along with the basic concepts in the field of sustainability.

The fifth cycle of Sustainability 101 trainings was completed at the end of 2023. 176 Zorlu Group employees participated in the Smart Life Academy training organized in 2 classes, each lasting 5 weeks spread within 12 weeks. The training included lectures on the basics of sustainability, climate crisis and justice, ecological economy, entrepreneurship and innovation, corporate sustainability, corporate volunteering, inclusion and diversity, organizations and sustainability in the age of uncertainty, sustainability leadership and sustainability strategy. Participants who were successful in the evaluation conducted at the end of the training were entitled to receive the certificate of achievement issued by BÜYEM. Nearly 1,400 people have participated in the Smart Life Academy Sustainability 101 program to date.

Geleceğe bi'adım

Zorlu Holding Geleceğe Bi' Adım (Step Into the Future) Internship Program

Under Zorlu Holding's Geleceğe Bi'Adım (Step Into the Future) internship program, which consists of 2 periods of 4 weeks each in July - September 2023, a total of 29 students studying in the 3rd and 4th grades in different departments of various universities completed their internships programs. Through Geleceğe Bi'Adım (Step Into the Future), young people had the opportunity to receive training to gain a wide range of competencies, contribute to their career and personal development, and experience the business world with project work and mentoring support.

Throughout the comprehensive internship program, in addition to work experience, young people had the opportunity to develop their competencies in resume preparation, interview simulations, presentation skills, team building, continuous learning, Excel trainings and coaching-based workshops, and gained many achievements in terms of personal development. Interns regularly met their internship coaches to receive continuous feedback and mentoring on their projects and work. Through the Digital Executive Meetings events, they had the opportunity to meet executives who have successfully reached senior roles in business life and listen to their advice and stories.

The internship program aimed to enable young people to take a conscious approach to their career journey from the very beginning. The young people had fun repeating what they had learned during the program with the prize quiz competition. At the end of the internship program, evaluations were performed taking into account criteria such as participation status, completed trainings, project work and certificates were presented to those who successfully completed the program. In this fun and instructive internship program designed to help participants reveal their potential, the aim was to enable young people to create a positive impact with their projects and thus leave a permanent and sustainable mark on Zorlu Holding.

Geleceğe Bi'Adım (Step Into the Future) Audit, Internal Control and Enterprise Risk Management Young Talent Program

Geleceğe Bi'Adım (Step Into the Future) Audit, Internal Control and Enterprise Risk Management Young Talent program was launched to bring in creative, innovative and dynamic new graduate talents to Zorlu Holding by supporting their careers and education through training programs to be positioned in different teams within Zorlu Holding Audit, Internal Control and Enterprise Risk Management.

Under the program, young talents selected among recent graduates from different universities across Türkiye joined the audit and internal control teams serving various sectors within the Audit Group Department and Internal Control and Corporate Risk Management Department.

In addition to supporting their adaptation to business life, a detailed training program was designed for the young people participating in the program with a focus on business areas in order to contribute to aligning and creating a common language to establish strong communication with the ecosystem to be engaged with. Technical and personal development-oriented trainings were provided to newly graduated employees.

CORPORATE VOLUNTEERING

High interest in corporate volunteering has led to a 57% annual increase in the global employee engagement rate.¹⁶ Corporate volunteering activities mobilize employees' talent, engagement and commitment, helping them create value for society and disadvantaged groups. Volunteering is becoming a critical force to increase our social impact and contribute to society at a time when we are facing various global challenges. At Zorlu Holding, we support colleagues who participate in volunteering activities. In line with our Smart Life 2030 vision, we carry out our volunteering projects within the framework of the Kivılcımlar (Sparks) Movement and in cooperation with non-governmental organizations.



As part of the Kivılcımlar Movement, we have been conducting volunteering activities with more than 3,100 volunteers since 2018 in line with our focus areas of reducing inequalities and the environment to contribute to the solution of social problems and sustainable development. In 2023, we performed approximately 3,700 hours of volunteer work.

More than 100 volunteering projects have been implemented since 2018 with the cooperation of civil society organizations that are members of the Açık Açık platform. With the AbilityPool platform, where all volunteering activities are reported, the corporate volunteering approach at Zorlu Holding is maintained in a more effective and systematic manner.

Career Talks, Discovery Workshops and Koruncuk Köy'de Kivılcım Var (A Spark in Koruncuk Village) projects were implemented together with Kivılcımlar and Kivılcımlar Movement Executive Committee. Through the Career Talks project, Zorlu Group Professionals and Mehmet Zorlu Foundation (MZF), the Foundation for Education Children (TOÇEV) and the Hope Foundation for Children with Cancer (KAÇUV) scholarship recipients are matched one-to-one on the basis of the department they are studying at university and the field of work they would like to get information about, shedding light on their career journeys. The Discovery Workshops aim to raise children's awareness of science, art and the environment while having fun with the Discover Science, Discover Art and Discover the Environment modules designed for 3rd and 4th grade primary school students. Under the Discovery Workshops, one of the projects developed by Kivılcımlar, more than 80 Kivılcımlar have organized workshops with more than 300 children. As part of our Koruncuk Köy'de Kivılcım Var (A Spark in Koruncuk Village) project, in collaboration with the Koruncuk Foundation, we aim to bring students together with Zorlu professionals on an online platform to inspire their career selection process.

Since 2021, every year for 6 months, foreign language mentoring has been organized with Hayat Sende Association for university students raised under protection. To date, Kivılcımlar have accompanied 84 young people along their foreign language learning journey.

26 Kivılcımlar took part in Kız Kardeşim (My Sister) project, which aims to contribute to the personal development of young women in their final year of university education, led by the Private Sector Volunteers Association (ÖSGD). We contributed to the career and personal development journeys of 26 students who were included in the program by prioritizing the earthquake region.

Every month, together with 14 Kivılcımlar, we host KAÇUV Umut Kafe (Hope Cafe) and generate income for KAÇUV's Aile Evi (Family House). We also support the protection of the environment through coastal, forest, ancient city, recreation area cleaning and sapling planting projects.

On December 5, World Volunteer Day, the 5th anniversary of the Kivılcımlar Movement, a WikiMarathon was organized to create a "[Corporate Volunteering](#)" page on Wikipedia in cooperation with imece, a social innovation platform co-founded by Zorlu Holding, in order to raise awareness about corporate volunteering, to disseminate the work, and to provide an accessible and permanent open source for everyone. Within the scope of the WikiMarathon, which was organized with the participation of 20 Kivılcımlar and 8 mentors, volunteer Kivılcımlar received training on research techniques from imece's mentors. Wikipedia's Corporate Volunteering page was created using 29 sources, covering 6 main topics and 5 sub-topics.

“When I ask participants in trainings and workshops why they do not volunteer, the most common answer I get is ‘I don't know where or how to start’. If volunteering is not introduced in the family or at school, most employees need companionship to find out “where” and “how”. This is why I find very valuable the Kivılcımlar Movement, which I have been following since its first day, meeting the target audience both in the field and online at different stages. The Kivılcımlar team accompanies employees from finding an environmental or social problem that they would like to contribute to solving, to getting involved in a project or even developing their own projects. It is a movement that I hold up as an example for other institutions because of its structure, content and continuity.”

Prof. Dr. İtir Erhart
Açık Açık Founding Member

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[The State of Corporate
Volunteering 2024, Benevity](#)

DIALOGUE WITH EMPLOYEES

With the aim of paving the way for a healthy and safe working environment, we strive to create opportunities for communication with our employees and create a platform for dialogue to support their well-being.



(One-on-One with the CEO)

Zorlu Holding CEO meets Zorlu Group employees every month. Throughout the meetings organized to catch up with the agenda and broaden horizons on various topics, the opportunity to learn together and chat on desired topics is obtained. In 2023, 150 Zorlu Group employees participated in the “CEO ile Bi’Arada” meeting.

Küçük bi' mola!

(A Little Break)

The Küçük Bi’Mola (A Little Break) event, which supports employees’ creativity, productivity, participation and personal development and raises awareness on various topics, has been organized since 2015 and hosts competent guests every month. Nearly 300 Zorlu Group employees participate in inspiring conversations. In 2023, more than 1,700 employees from all sectors participated in the events hosted by esteemed figures such as Prof. Acar Baltaş, Dr. Özgür Bolat, Prof. Mehmet Ö. Alkan, Yekta Kopan, Şermin Yaşar, Bahar Akıncı and Erdil Yaşaroğlu.

ZORLU DERGİ

Zorlu Magazine

Via Zorlu Magazine, we convey important developments in our Group to our colleagues and stakeholders. We feature the prominent projects, events and achievements of our Group companies and conduct exclusive interviews with our executives on the hot topics on our agenda. Through Zorlu Magazine, which we publish with the aim of strengthening corporate culture and supporting employee loyalty, we also intend to increase synergy with our stakeholders. Zorlu Magazine, which has been published digitally since 2018 with a sustainability approach, reached 2,670 readers in 2023.

OCCUPATIONAL HEALTH AND SAFETY

As a group of companies operating in various sectors such as energy, durable goods, mining, textiles and real estate, all our operations and workplaces, especially production and service, entail OHS risks at various levels. We undertake to ensure the health and safety of all our stakeholders, especially our employees, as our top responsibility. Therefore, we continuously assess the health and safety risks they may face and take actions to mitigate them. We carry out activities to ensure a safe working environment in our workplaces by relying on national and international OHS standards such as ISO 45001 Occupational Health and Safety Management System standards, International Labor Organization (ILO), Turkish Standards Institute (TSE), National Fire Protection Association (NFPA) and European Norm (EN).

We act with the awareness that our OHS policy has both qualitative and quantitative contributions to our companies, taking into account that in addition to its direct effects such as preventing occupational accidents and occupational diseases in our workplaces and preventing work-related health and safety risks, it also has indirect effects on the continuity of production and service, employee motivation and, thus, product and service quality. Accordingly, our OHS management approach is built on involving all stakeholders and employees in the process, starting with senior management, bringing OHS risks to acceptable levels and reducing them, thus creating a sustainable safety culture and raising OHS awareness among all employees. Based on the principle of continuous improvement, we aim to provide safe working conditions in our workplaces and to keep the welfare of all employees at the highest level.

By taking various measures for the continuous development and improvement of occupational health and safety, we aim to achieve a value above the OHS targets set in our organizations. Accordingly, there was no fatal occupational accident in our Group in 2023. To keep the OHS climate alive in our workplaces, we raise awareness among our employees and regularly organize trainings to raise awareness. Across Zorlu Holding and Group companies, total training hours are 180,210 and average OHS training hours per person is 6.4 in 2023.

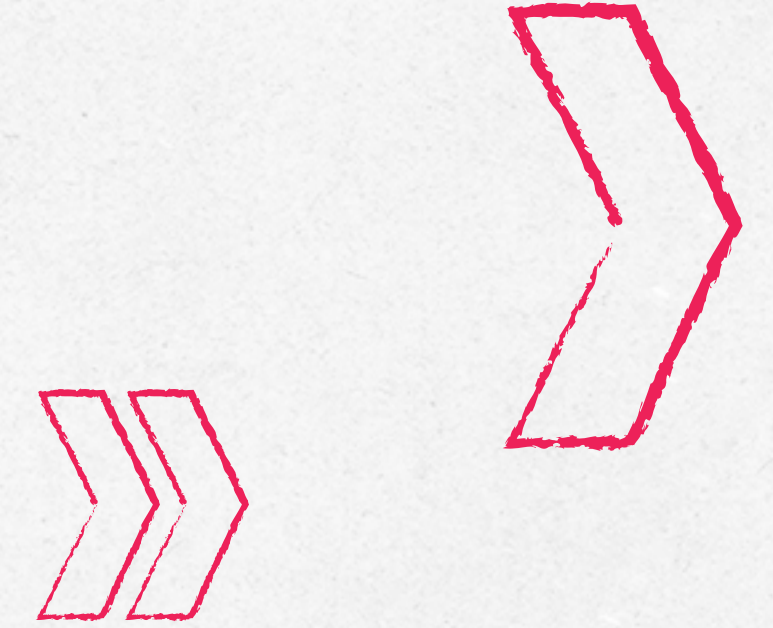
Zorlu Group's ISO 45001 Occupational Health and Safety Management System certifications are available in the "[Annexes](#)" section of the report.



INCLUSIVE VALUE CHAIN

The global supply chain has experienced a significant disruption, starting with the pandemic. Organizations trying to mitigate the impact of this disruption have recently faced new supply chain crises. The profound impact of the Russia-Ukraine conflict on global supply chains has resulted in disruptions and interruptions in both energy supplies and the supply of goods as countries have imposed sanctions. Moreover, the attacks in the Red Sea threatened the global supply chain, disrupting the flow of goods between Asia and Europe. Fluctuations in China's foreign business pose a threat to the global supply chain as it accounts for a significant portion of global production. All these developments may create new opportunities as supply chains are re-evaluated. The advantages of geopolitical location pave the way for new free trade agreements. In this context, it is important for companies to anticipate the crises and opportunities that may arise in the supply chain, which is a critical part of the value chain, in the light of digitalization and innovation, and to evaluate the potential positive or negative impacts triggered thereby within the scope of corporate risk strategies.

As Zorlu Holding and Group companies, we closely monitor risks and opportunities with a management approach that encompasses the entire value chain along the supply chain. To ensure the long-term sustainability of our business, we prioritize positive impact within our sphere of influence and develop strategic collaborations with our suppliers, taking into account the dynamics in which our Group companies operate in various sectors.



SUSTAINABLE SUPPLY CHAIN

Factors such as conflicts, natural disasters, geopolitical tensions and economic volatility emphasize the importance of increasing the resilience of supply chains, while the private sector needs to be prepared and able to react quickly to such events. Investments in infrastructure systems contribute to making digitalization a corporate culture, while proactive procurement processes contribute to maintaining the productivity and competitive advantage of supply chains.¹⁷ We prioritize sustainable investments to increase supply chain resilience in order to minimize the impact of disruptions in the global supply chain and proactively manage potential risks and opportunities. We also promote greater traceability and more sustainable practices in supply chains from a responsible business management perspective.

At Zorlu Holding and Group companies, we position localization efforts at the heart of our supply chain approach. We minimize our exposure to global supply chain risks through strategic partnerships with local suppliers. In 2023, 77% of the 9,813 suppliers we worked with were local suppliers. Payments to local suppliers accounted for 50% of the total.

At Zorlu Group, we prioritize our relationships with suppliers that are critical and/or strategically important for the long-term sustainability of our business, and aim to have a 100% sustainable supply chain by 2030.

In the energy, consumer electronics and textile sectors, which have a wide supply chain, we follow internal guidelines for the assessment, evaluation, selection and audit of suppliers that are tailored to the sectoral conditions. We demonstrate a responsible supply chain approach by reflecting our sustainability approach to all our suppliers and subcontractors, prioritizing strategic/critical suppliers identified by guidelines. In this context, we observe the compliance of all our suppliers with international environmental, social and ethical standards and support the continuous development of our suppliers. Zorlu Holding Supplier Code of Conduct, which include the prevention of child labor and forced labor, non-discrimination, humane treatment, fair working hours and remuneration, freedom of association and the right to collective bargaining, OHS, environment and ethical principles, serve as a guide for all our Group companies.

We monitor the compliance of our suppliers with Zorlu Holding Supply Chain Principles and organize awareness raising activities and trainings to support their development. To this end, we provided a total of 5,296 person*hours of training on environmental, social, technical and management systems in 2023 to support the development of suppliers, dealers and distributors.

Global crises call for more resilient supply chain systems. In this context, digitalization efforts are gaining importance to ensure process efficiency and traceability. Our procurement system vSRM (Virtual Supplier Relationship Management), which was launched in 2021, aims to digitalize procurement processes, as well as to increase digital communication with business partners in supply chain applications and to carry out procurement offer evaluations on a digital platform. By creating corporate memory, vSRM offers suppliers an infrastructure to communicate their offers in a transparent environment. It also aims to systematically measure supplier performance and fully digitize approval processes, saving time and costs.

Vestel, one of our Group companies, held its first supplier organization in China, bringing together its critical suppliers. Vestel Supplier Summit was attended by 385 participants from 180 suppliers in China, Taiwan, Korea and Vietnam. The CEO of Vestel Group of Companies shared the future vision, plans, new business lines and targets of the organization with the participants. Detailed information was provided on growth, investment and product plans in the business lines. In addition to offering information flow and sharing expectations, the event is also important as a platform where suppliers are rewarded.

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IN 2023, WE WORKED WITH 9,813 SUPPLIERS, 77% OF WHICH WERE LOCAL. PAYMENTS TO LOCAL SUPPLIERS ACCOUNTED FOR 50% OF THE TOTAL.

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[Keys to resilient supply chains,](#)
[OECD](#)

COMMUNITY RELATIONS

Addressing today's environmental, economic, and social crises requires collective responsibility and collaboration among governments, public institutions, academia, individuals, and the private sector. The 2024 Global Risks Report published by WEF draws attention to global challenges that require urgent action. Systemic factors such as changes in geopolitical balances, climatic conditions and technological advances increase the impact of risks and reduce social adaptive capacity. In a world marked by global crises, companies have a crucial role to play in shaping their own future and promoting the well-being of their communities. It is crucial to establish radical and multi-stakeholder collaborations, and to work with a business model that goes beyond the profit motive with an inclusive, positive impact and solution-oriented approach.

Since its establishment in 1953, Zorlu Group has prioritized what is good for the world, society and the environment. Relying upon the idea that economic and social development are inseparable from each other, it aims to ensure that all its financial and social investments for 70 years contribute to our country and our people. Under the guidance of the Smart Life 2030 strategy, the purpose-driven responsible investment holding structure is strengthened day by day, while a social benefit and value-oriented business model is adopted. In this context, we are committed to allocating 1% of our EBITDA to efforts that will contribute to the SDGs by 2030. We create human-oriented ecosystems by considering the welfare of all our stakeholders; we adopt an approach that is inclusive, leaves no one behind and creates solutions to today's problems. We are strengthened by the cooperation and partnership of our stakeholders and focus on creating the highest value in ESG areas. In this respect, the budget for our efforts to support the Sustainable Development Goals in 2023 exceeded TL 270 million, amounting to 1% of annual EBITDA.

While identifying our areas of social benefit and responsibility, we analyze important issues such as social innovation, quality education, reducing inequalities, gender equality, creative industries, culture and arts, sustainable cities and communities in line with the needs and expectations of our stakeholders. In these areas, we implement projects that will directly contribute to sustainable development, measure their impact, and spread the culture of value creation with our development-oriented approach. We recognize that a collaborative and participatory company culture plays a critical role in the development of innovative ideas.

Through MZF, we implement projects that contribute to social development with a focus on benefit and impact, particularly in the fields of education, culture and arts, sports and health. In addition to our scholarship program for young people and the educational institutions we build, we support educational programs developed for young people. As a stakeholder in the MZV-MEF YetGen 21st Century Competencies Training Program since 2015, we aim to equip young people with the competencies required by the new world order. Through this program, we contribute to the development of qualified human resources, creating lasting benefit for our country. We consider teachers as the leaders who carry society forward and we support the Teacher Network, which aims to empower teachers and is led by the Education Reform Initiative (ERI), working for the development of the new generation and society, and we contribute to improving the quality of education in schools.

MEHMET ZORLU FOUNDATION



Since 1999, we have been working under the umbrella of MZF to contribute to the upbringing of imaginative, self-confident and hopeful generations. In this direction, we carry out activities that create value for society, particularly in the fields of education, health, sports, culture and arts.

With MZF's education scholarships, we support an average of 2,000 students every year and share the journeys of young people who are building the future. We offer long-term contributions to our scholarship recipients, 40% of whom are primary, middle and high school students and 60% university students, and continue our support until they graduate based on their success and needs. In this sense, we have provided scholarship support to more than 32 thousand students so far, including the 2023-2024 academic year.

Through MZF, we provide pharmaceutical aid and various medical products and supplies to those in need, and we deliver supplies to disaster areas in disasters such as earthquakes and floods in our country.

Zorlu Children's Theater

Through Zorlu Children's Theater, we unite children with culture and arts all over Türkiye with the goal of stimulating their imagination. Since its establishment in 2003, Zorlu Children's Theater has reached over 900,000 children through approximately 1,500 performances of 15 different plays in a span of 21 years. The stories selected by the jury consisting of theater actors, writers and professionals in the Bir Hayal Bir Oyun (One Dream One Play) story contest organized by Zorlu Holding to help children realize their talents and develop their imagination are scripted under the roof of Zorlu Children's Theater and staged at Zorlu PSM. The story of Bizarre Technological Tales, which was selected first in the 3rd edition of Bir Hayal Bir Oyun (One Dream One Play) in 2020 and was first staged in 2022 under the title Kusursuz Dünya Müzikali (Perfect World Musical), continued to meet its audience at Zorlu PSM in 2023.

As part of the National Sovereignty and Children's Day, we organized a tour to the earthquake zone between April 23-27, 2023, in order to put a smile on the faces of children in the region and contribute to their well-being. We came together with children in Hatay, Kahramanmaraş and Adıyaman with 10 performances of the play Lunapark Gezegeni (Amusement Park Planet).



MZV-MEF YetGen 21st Century Competencies Education Program

In addition to global trends and crises, the rapid advancement of technology is transforming organizations and changing the skills they need. Companies face various challenges in finding competent labor. Aware of this reality, we continue to support the MZV-MEF YetGen 21st Century Competencies Education Program to help young people adapt to the requirements of the current era and acquire the life skills and adaptation competencies required by the 21st century. Within the framework of the program led by YetGen Founder Prof. Erhan Erkut, we support young people to be equipped not only with academic, technical and professional knowledge, but also with the skills and competencies required by the 21st century.

We support young people with courses such as Career Planning, Presentation Techniques and Teamwork, Written Content Preparation, Introduction to Algorithmic Thinking, Modeling with Excel, Technology Literacy, 21st Century Literacies, Self-Development and Active Citizenship, Entrepreneurship, Sustainability and Social Innovation, Leadership, GirişGen and Transition to the Business World. At the conclusion of the program, we organize the Youth Summit at Zorlu PSM, where we bring youngsters together with experts and opinion leaders in Türkiye. In order to increase the accessibility of the program, we broadcast the trainings live and reach young people in different regions of Türkiye. By 2023, more than 10,000 high school and university students participated in the program.

Zorlu-MEF YetGen Teacher Training Program, which aims to reinforce teachers' competencies and awareness in line with the needs of the new world while guiding their students, attracted 521 teachers in its second cycle in 2023. Under the program, teachers were offered development opportunities with training contents such as Career Planning, Teamwork and Presentation Techniques, 21st Century Literacies, Educational Technologies, Psychology and Education, Art and Education, Teaching Beyond the Age and GirişGen Teacher.

Human Resources teams from Zorlu Holding, Vestel, Zorlu Tekstil, Zorlu Enerji and Zorlu PSM participated in the YetGen StepUp event, which aims to bring YetGen graduates together with organizations in 2023, and took part in interview simulations. We had the opportunity to chat with graduates at the Zorlu Career stand. The event brought together 500 YetGen graduates.

Öğretmen Ağı (Teachers Network)

We believe that in addition to qualified and quality education, the existence of successful students who love to learn depends on teachers. We have been supporting the Teachers Network, led by ERG, since its inception. Main supporters of the Teachers Network, a network of sharing and collaboration where teachers come together with their colleagues and individuals and institutions from different disciplines to strengthen themselves personally and professionally, include Bir Arada Yaşarız Education and Social Research Foundation (BAYETAV), Aydın Doğan Foundation, ENKA Foundation, MZF, Sabancı Foundation and Vehbi Koç Foundation.

The Teachers Network develops solutions to teachers' needs "together with teachers, not on behalf of teachers" and provides them with access to the resources they need in the field of education through a community approach. To date, the Teachers Network has reached more than 40,000 participants from 81 provinces through more than 1,500 face-to-face and online events and meetings with 721 Change Ambassador teachers from 61 cities, more than 400 stakeholders and institutions, and more than 500,000 students through ongoing activities with the contributions of non-governmental organizations, universities and local governments. As a stakeholder of the Teachers Network, we continue to contribute to the development of teachers and, through them, to the quality of education. MZF is also the main partner of the Creative Self-Confidence Festival, which aims to reinforce teachers' ability to develop creative solutions to the problems they face every day. In 2023, 453 teachers attended the festival held at Zorlu PSM and had the opportunity to learn and be inspired by each other.

“ In today's world, when employers are asked “what kind of graduates do you want to hire?”, we see that competencies, not higher knowledge, come to the fore. However, the current setup of our education system focuses on equipping students with knowledge, not competencies. With this in mind, we designed the MZV-MEF YetGen 21st Century Competencies Education Program in 2015 with the support of MEF University and Mehmet Zorlu Foundation. We have touched the lives of over 10 thousand young people so far, and we will continue to do so. ”

Prof. Dr. Erhan Erkut
YetGen Founder

ZORLU HOLDING

imece

In this era of crises, we know that creating innovative and sustainable solutions to social problems depends on the development of social innovation. Accordingly, we attach importance to radical collaborations that contribute to the development of the social innovation ecosystem in our country. As the most important reflection of this approach in our organization, we established the social innovation platform imece together with ATÖLYE and S360 in 2016. We believe in the power of creating collective solutions on imece platform, where individuals and organizations that create change meet and work together to produce solutions to social, ecological and cultural issues. Imece focuses on building the capacity of the impact ecosystem, especially social entrepreneurs and young people, through its training, mentorship and communication networks, and contributes to triggering systemic transformation through the content and communities it creates. As Zorlu Holding, we have been supporting imece's programs for social entrepreneurs that focus on the Sustainable Development Goals since 2017.

The imece [Learnings Report](#), which shares the experiences and insights gained from all the programs and collaborations imece has implemented since its first day, was published in 2023. The report aims to shed light on the future plans of different individuals and organizations in the ecosystem and to be a guiding resource for those who want to work in this field.

imeceLAB, the open innovation laboratory within imece, offers a program where high school and university students can acquire competencies in social benefit and innovation, and collectively develop solutions addressing economic, ecological, social and cultural issues. In processes where the resources and expertise of many stakeholders such as civil society, academia, private sector and public institutions come together, imeceLAB provides know-how and experience transfer to young people with its interdisciplinary mentor network.

You can find out more about imeceLAB's collaborations and programs in 2023 [here](#).

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BELIEVING THAT A BETTER FUTURE CAN BE BUILT WITH THE ACTIVE PARTICIPATION OF YOUNG PEOPLE, WE ARE COMMITTED TO SUPPORTING THEM IN SHAPING THEIR FUTURE.

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Eşit bi' hayat (An Equal Life)

We advocate equality in all areas of life and believe that an equal life is possible for everyone. We care about women's full and effective participation in decision-making processes and equal representation in economic and social life, and we implement practices that support equal participation in the workforce. Since 2015, we have been a signatory to the UN Women's Empowerment Principles. Together with the business world, we strive to ensure equality throughout the society, and aim to create an ecosystem in which women participate more actively in all areas of life.

We reflect our awareness of gender equality in our discourses and working environment, and focus on contributing to the awareness of all our stakeholders with whom we work. You can watch our Eşit Bi'Hayat (An Equal Life) manifesto, which includes our commitments to create an inclusive corporate culture nourished by diversity and to take a step closer to achieving equality in the business world and society in general, [here](#).

You can find the details of the work we carry out within the scope of our Eşit Bi'Hayat (An Equal Life) approach under the [Gender Equality](#) section of the report.

1923 Müzikal

At Zorlu Group, as a reflection of our commitment to- and responsibility for the values of the Republic, we launched the musical 1923, a co-production of Çolpan İlhan & Sadri Alışık Theater, Piu Entertainment and Zorlu PSM, in 2023, the 100th anniversary of our Republic and the 70th anniversary of our Group, with the mission of conveying the story of the founding of the Republic to new generations. The premiere was held on April 23rd National Sovereignty and Children's Day, in collaboration with Askıda Ne Var and School Support Association, hosting students free of charge. In order to make the musical accessible, we hosted over 1,500 young people free of charge throughout the year.

Earthquake Zone Aids

In 2023, we experienced an earthquake disaster with its epicenter in Kahramanmaraş, which deeply affected 11 provinces. Since the first day of the earthquake, we have been in contact with all our Group companies and public institutions and organizations to repair the damage caused by the disaster, to contribute to improving the living conditions in the region, to reach our citizens in need and to be with them in their difficult days.

Under the support, we delivered urgent needs such as textile products, heaters, refrigerators, televisions, washing and drying machines, air conditioners and small household appliances to the region through our Vestel and Zorlu Tekstil companies and in coordination with AFAD. As Zorlu Group, we have also stood by our colleagues, business partners and scholarship recipients in the region from day one to meet their every need.

We delivered a total of 26 trucks of supplies to the region, including 6 trucks collected with the voluntary help of our colleagues working in Zorlu Group and 20 trucks donated by the Group. Through our service centers and dealers, we distributed these aids, especially in hard-to-reach villages.

A search and rescue team with a total of 50 people from our group participated in the search & rescue activities in the earthquake zone under the coordination of AFAD. We sent many products such as search and rescue equipment, fuel oil and generators to the earthquake zone from different locations.

Our Eataly, Zorlu PSM and Raffles Istanbul kitchen teams worked in Malatya and Afşin to produce and distribute 40,000 meals a day. Together with AFAD, we set up 1,020 containers in the villages of Hatay, Adiyaman, Osmaniye, Kahramanmaraş, Malatya, Gaziantep and Malatya provinces to help meet the need for shelter in the region. Zorlu Grand Hotel hosted the residents of the earthquake-affected region. Needs of the centers in Izmir, Istanbul and Adana, where children in the earthquake zone receive rehabilitation, were provided by our Group.

Mehmet Zorlu Foundation created a separate quota for university students affected by the earthquake and provided educational scholarship support to 100 students. In addition to the earthquake victims staying in containers and tent cities in the earthquake zone, we prioritized mothers who had just given birth in regional hospitals, disabled people and elderly people and provided them with shopping vouchers. In addition, in order to support the exam preparation processes of students from the earthquake zone who will take the High School Entrance Examination (LGS) and Higher Education Institutions Examination (YKS), we sent test books in different subjects as education sets to the region and delivered them to 500 students.

Many artists performed on the Solidarity Stage organized by Zorlu PSM, DasDas and İhtiyaç Haritası. We supported the education of students with the income generated. As part of the April 23rd National Sovereignty and Children's Day, Zorlu Children's Theater organized a tour to the region between April 23rd and 27th to bring a smile to the faces of children in the earthquake zone and contribute to their well-being. With the play Lunapark Gezegen (Amusement Park Planet), it provided children with pleasant moments through 10 screenings in Hatay, Kahramanmaraş and Adiyaman.

Awareness Projects with a Focus on Sustainability

Our Stories

We have been sharing with the public the examples of good practice from our sustainability-oriented projects that we have implemented under the Smart Life 2030 goals we have set for a more livable world in video series as open source since 2020 with the aim of setting an example for the business world. We aim to increase the adoption of sustainable production, service approach and life approach by more people and institutions and to increase good practices. We believe that the stories we share will pave the way for us to create more value for our company, stakeholders, society and the environment, and contribute to the dream of a better future and a more livable world.

You can follow the examples of good practices from our Group, which has made sustainability a part of its business models, in “Our Stories” video series published on [Zorlu Holding YouTube channel](#).

Nereye Kadar (How Far) Podcast Series

In 2022, in collaboration with Zorlu PSM, we launched the podcast series Nereye Kadar? (How Far?) moderated by journalist Mirgün Cabas, discussing many topics and solutions such as sustainability, social innovation, gender equality, digital transformation, entrepreneurship, quality education, climate crisis, corporate volunteering with experts in their fields. During the 2nd season of the podcast series, which we continued to stream in 2023, we drew attention to the fact that the multi-layered, deep and multi-dimensional global issues in today's changing and transforming world can only be overcome if we act with collective effort.

In our podcast series, the 20 episodes of which are available on the [Smart Life 2030 Spotify channel](#), we featured 26 expert guests who shared their insights and experiences on pressing sustainability issues that pose threats to our planet, including global warming, climate crisis, social inequalities, resource scarcity, desertification, and drought, as well as potential solutions to address them. Our podcast series reached over 6,000 listeners, serving as a platform to enhance societal awareness and consciousness regarding sustainability issues, and inspiring individuals and corporations to adopt sustainable practices for the greater good.

We are now engaged in preparations for the third season of the podcast, of which the first two seasons have already been streamed, and we aim to publish new episodes in 2024.

Smart Life Meetings

We continue to organize Smart Life Meetings, which provide a platform for Zorlu Group employees to follow new concepts, current issues, and global and local developments with a focus on sustainability with the participation of experts in their fields. In 2023, we organized 3 meetings and raised awareness

by informing approximately 300 colleagues about the Water Crisis, Global Overshoot Day and Following COP28. We met Dr. Akgün İlhan on the Water Crisis. We had the opportunity to listen and think together about the importance of water for the environment and business continuity, and the measures and actions we can take as organizations and individuals to ensure water efficiency. On the Global Overshoot Day, we met Dr. Uygur Özkesmi, Environmental Scientist, founder of Good4Trust and change.org, as moderated by imece Director Zeynep Erdoğan, and talked about what we can do as individuals and institutions to reduce our ecological footprint. In the “Following COP28” episode, we hosted journalists Barış Doğru and Didem Eryar Ünlü to touch upon the issues discussed at the UN 28th Climate Change Conference, the decisions taken and the current developments regarding the global climate struggle, and we evaluated the topics that concern the sectors in which we operate.

Smart Life 2030 Blog

Under our Smart Life 2030 sustainability strategy, we focus on creating the highest value for all our stakeholders, society and the future in the areas of environmental, social and governance (ESG). We are striving to ensure that our stakeholders adopt this approach and awareness. As part of our commitment, we provide a platform for all our stakeholders to gain new perspectives on the global sustainability agenda and raise awareness by exploring best practices through the accessible Smart Life 2030 Blog.

Nearly 180,000 people visited the Smart Life Blog which publishes a wide range of content, including news, articles, and agenda summaries related to sustainability, Zorlu Holding and Group companies' sustainability projects and principles, advancements in innovation, technology, and entrepreneurship, initiatives in corporate volunteering and quality education, as well as updates on diversity and inclusion efforts and on which we share 4 articles per month in average.

Smart Life Bulletins and Sustainability News

We believe that employees who internalize the sustainability approach will develop their skills and sense of responsibility to ensure business continuity and create value for society and the environment. In order to make it easier for our employees to keep up with the sustainability agenda, we share the weekly bulletin, which is specially prepared for Zorlu Group employees by EKOLOGOS, a company operating in the field of sustainability communication and management, and includes important developments on a global and local scale. We also deliver news on corporate sustainability compiled from the national press to all Group employees every week. We also share the important developments at COP28, which focuses on global climate problems and solutions, with our employees on a daily basis within a bulletin.

SOCIAL BENEFIT PROJECTS OF ZORLU GROUP COMPANIES

Vestel Group of Companies

Vestel continues to expand its social contribution in various social and environmental issues, taking into account the needs of the society. It carries out projects on gender equality and equal opportunities in education. In addition, it continues to contribute to sports through its sponsorships in especially volleyball and gymnastics as well as football, handball, basketball and sailing.

Having provided significant support to Turkish volleyball in the last 7 years, Vestel continues to offer its contributions as the main sponsor of the Turkish Volleyball Federation (TVF) in the 2023-2024 season. Besides, as the chest sponsor of the Men's National Team, it maintains its place among the main sponsors of TVF and supports increasing interest in volleyball through communication activities such as the Biz Voleybol Ülkemiz (We are a Volleyball Country) campaign. Under the sponsorship agreement, the Burhan Felek Volleyball Hall in Istanbul will be named TVF Burhan Felek Vestel Volleyball Hall until the end of 2025. The TVF Atatürk Volleyball Hall in İzmir will now be officially named the TVF Atatürk Volleyball Hall Vestel Sports Complex.

Vestel continued to be the main sponsor of the Turkish Gymnastics Federation and Gymnastics National Teams in 2023. With Vestel's support, the Federation expanded from 12 to 81 provinces, increasing the number of athletes from 600 to 25 thousand and the number of licensed athletes from 1,200 to 120 thousand.

Supporting the development of Turkish gymnastics with its "Duruşun İlham Olsun (Let Your Posture Be Inspiration)" sponsorship, Vestel became the main sponsor of the Turkish Sports Federation for the People With Physical Disabilities for all branches in 2023 in order to contribute to the

democratization of sports and its accessibility by all. Believing in the healing and unifying power of sports, Vestel aims to encourage individuals with disabilities to participate more effectively in society, to further the achievements of athletes with disabilities, to support athletes preparing for the 2024 Paralympics and to raise social awareness under this cooperation.

Launched in 2021, the Elim Sende (You Have My Hand) project is organized under the cooperation of Vestel, Provincial Directorate of Family and Social Services Women's Guesthouse Directorate and Violence Prevention and Monitoring Centers (ŞÖNİM). The project aims to improve the quality of life of women staying at women's shelters and accompanying children, strengthen public-private sector collaboration in the solution of social problems, offer social and corporate support to women, contribute to their plans to lead an independent life, improve their qualifications through vocational training, integrate them into working life and, thus, ensure equal opportunities and gender equality.

With DIY Workshops with Vestel, zero waste and circular economy practices are supported in socio-economically disadvantaged schools through the use of waste, children's coding and design skills are developed, and recycling awareness is promoted. In the workshop, new products are created with recycled materials, students are taught robotic coding and design skills, and it aims to offer experience in sustainability and innovation. The first workshop was organized in Uşak in cooperation with Zafer Development Agency and Uşak University.

Zorlu Energy Group

Zorlu Energy Group develops projects primarily in the field of education, particularly in the regions where it operates, supports imece and Mehmet Zorlu Foundation, and contributes to the Eşit Bi'Hayat (An Equal Life) program.

Through Enerjimiz Eşit Meslek Liseleri (Our Energy is Equal Vocational High Schools) project, OEDAŞ introduced the electricity distribution sector to students studying in vocational and technical Anatolian High Schools and multi-program Anatolian High Schools in Eskişehir, Uşak, Kütahya, Bilecik and Afyonkarahisar, and supported them to increase their knowledge on topics such as sustainability, gender equality and presentation skills.

Every year, Zorlu Energy Group provides scholarships to more than 300 university students for 9 months as part of its scholarship program. It offers assistance to universities in investment regions to support the social and educational needs of students. The group provides various forms of support, including seminars, special events, and technological equipment. By supporting the Maveria Technology Team, the first electric vehicle team of Osmangazi University, and the Solar Car Team of Istanbul Technical University (ITU), it contributes to young people to produce the technology of the future with alternative energy sources.

Zorlu Enerji, in partnership with imeceLAB, provided personal and professional development trainings to scholarship recipients through the Zorlu Enerji Experience (ZExperience) program to help them prepare for professional life. The scholarship recipients, who designed projects in teams for the SDG goal they chose with the knowledge they acquired, participated in the project competition with the support of Zorlu Group volunteers Kivılcımlar. In the competition where 8 SDGs were addressed with 12 projects, the best 3 projects were awarded. At the end of the program, which aimed to provide a perspective within the SDG framework and competence in project management from A to Z, the scholars' increased knowledge and willingness to produce knowledge with team spirit showed that the program achieved its goals.

Launched in 2022, the "Women's Power, Power of the Future" program aims to increase women's employment in technical fields in the industry. The project aims to promote gender equality and empower female students studying at vocational high schools in Gaziantep by providing them with theoretical and practical training. All 25 participants graduated from the program and 5

of them were employed by Zorlu Enerji. The program, which aims to train the female technicians of the future, was awarded the Women's Employment and Equal Opportunities at Work Award by the Women-Friendly Brands Platform in December 2023.

Zorlu Enerji integrates with local communities in the regions where it invests through the Our Energy is for Our Region project, engaging in socio-cultural, infrastructural and technological initiatives and becoming a member of the community. It supports local special days and festivals, clean water access in villages and energy needs of schools, depending on the need. It also sponsors sports clubs in its investment regions and regularly donates winter clothing to children in disadvantaged climate zones. It supports local women's production and economic development with necessities procured from local women's cooperatives.

Through the Lesson Support Project, Zorlu Enerji provides online tutoring support to the 5th, 6th and 7th grade children of Zorlu Enerji employees studying at public schools and to earthquake victims in cooperation with the School Support Association. Thus, while contributing to children's education, employee volunteering is also encouraged. The 8-month training program aimed to provide mathematics and science education to 250 students.

Under the Zero Carbon Footprint Forests project, Zorlu Enerji aims to raise awareness on climate change and plant 90 thousand saplings every year. Afforestation activities are carried out in the provinces where Zorlu Enerji operates.

The Can Dostlar (Best Friends) project, which started in May 2021, aims to improve the living conditions of stray animals by providing them with food containers placed at 200 points in the five cities (Afyonkarahisar, Bilecik, Eskişehir, Kütahya and Uşak) served by OEDAŞ in the first stage, as well as feeding, sheltering and sterilization operations, treatment and care. In this context, medical device support is provided to public institutions offering such services. The project won the gold award for Corporate Social Responsibility Program of the Year in the European region at the 20th Stevie International Business Awards.

Zorlu Real Estate Group

Zorlu Real Estate Group is committed to ensuring that its real estate activities are accessible to everyone, in alignment with the concept of inclusion, which is essential for creating sustainable towns and cities.

The No Barriers at Zorlu project aims to transform Zorlu Center into a barrier-free living space. While employees in certain areas of Zorlu Center are trained in sign language, the menus in the restaurants also include Braille. In October, in collaboration with Memorial Health Group, Zorlu Center hosted events such as mirror positioning and turning the Zorlu Center lights pink for breast cancer awareness.

Zorlu Real Estate brought together the brands and visitors who created change in sustainability at Zorlu Center again at Eco Love Fest, the first sustainability festival in the sector. Zorlu Real Estate, which has added a new focus on sustainability with a content that includes sustainability talks with expert speakers, ecological workshops for children and adults, and concerts, plans to expand the scope of Eco Love Fest, which has reached more than 10 million people and marked its name as a result of all its communication efforts, and to organize it every year.

Within the scope of Eco Love Fest, visibility and space support was provided to more than 50 local producers in 3 festivals and more than 2 thousand guests were hosted. 110 sustainability workshops, 32 interviews and 8 concerts were organized. Through the project, which raised awareness on sustainability, Zorlu Center received the Best Shopping Mall award at the Master of Events award ceremony organized by ACE OF MICE in 2023. This resulted in a total of 7 awards from national and international platforms.

No Barriers at Zorlu

Zorlu Real Estate Group takes care to ensure that its activities are accessible to everyone so that all segments of society can benefit equally from the opportunities created by sustainable development. Recognizing that accessibility is a right, it boosts the physical accessibility of its spaces. To this end, it aims to create a barrier-free living space at Zorlu Center with the “No Barriers at Zorlu” project. The project, which was launched in 2017 in cooperation with the Guide Dogs Association, the first and only one of its kind in Türkiye, aims to transform Zorlu Center into a barrier-free living space. As part of the project, which continues to expand the scope of cooperation and support, employees in all food and beverage areas at Zorlu Center are trained in sign language, and menus in all restaurants are presented in BRAILLE alphabet with the support of the Turkish Association for the Visually Impaired.

Thanks to the Yol Arkadaşım AVM feature on the Hayal Ortağım application brought to life by Turkcell and Young Guru Academy (YGA), it helps people with visual disabilities to participate in social life more actively and independently. With this feature, the visually impaired guests of Zorlu Center can easily reach any place they want by getting information about the venues around them. In collaboration with Blindlook, selected under the 3rd Support Program of imece, Amfi Pub, Cheers, and the jazz club touché were made accessible for visually impaired individuals. This initiative aims to provide a comfortable experience for visually impaired guests, both during concerts and in the food and beverage areas within Zorlu PSM.

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ECO LOVE FEST HAS RECEIVED
7 DIFFERENT AWARDS FROM
NATIONAL AND INTERNATIONAL
PLATFORMS FOR ITS INNOVATIVE
APPROACH.

”

Zorlu Performing Arts Center (Zorlu PSM)

Zorlu PSM completed 2023 with the motivation to offer inspiring, inclusive and entertaining programs that will change the world of all art lovers in Türkiye who follow different genres. Zorlu PSM, which opened its 11th season in 2023 with the motto #Dünyadeğişsin (lettheworldchange), hosted world-renowned names and organized important projects this season as an institution that aims to contribute to Türkiye's culture and arts life.

It brought together the giant names of the local and foreign music scene with more than 600 thousand art audiences in nearly a thousand events. World-famous musicals, international music festivals and acclaimed local theater productions were brought to Zorlu PSM stages.

Throughout the year, Zorlu PSM conducted projects that invested in the sector and social benefit projects that aim to bring culture and arts to all segments of society. Zorlu PSM, which aims to bring culture and arts to all segments of society as one of the leading institutions in the sector, expanded İlk Tiyatrom İlk Konserim (My First Theater, My First Concert) project, which was launched as a pilot project last year, throughout Istanbul and hosted adults and children living in disadvantaged areas who had never been to a concert or theater in their lives, to concerts and theater events at Zorlu PSM under the motto Hepimizin Sahnesi (The Stage for All of Us) in partnership with expert non-governmental organizations SosyalBen and Turkish Education Foundation (TEV).

PSM Workshop, the first talent development program of Zorlu PSM, which set out with the aim of bringing new talents to the theater, contributing to the sustainability of the sector and enriching the theater corpus with original content, continued to organize trainings without interruption in its third year.

Zorlu PSM also launched the Zorlu PSM Backstage Academy program in 2023. Through the training program created in cooperation with Istanbul Bilgi University Stage and Performing Arts Management Program, 20 participants graduated after 42 hours of training. This training aimed both to create human resources for stage management positions within Zorlu PSM and to increase the competencies of the existing human resources of the sector. The project is planned to continue in 2024 in cooperation with Bahçeşehir University.

Zorlu Textiles Group

Members of Korteks Search and Rescue Team KORKUT, which was established with the participation of volunteer employees within Korteks, participated in accreditation training at Bursa AFAD Campus at the beginning of 2023 and CBRN (chemical, biological, radiological and nuclear) Awareness and Suspicious Mail Trainings organized at Korteks. KORKUT's 16-member team also supported search and rescue activities after the earthquake in Kahramanmaraş.

KORKUT team members participating in search and rescue activities were given a training titled "Basic Principles of Disaster Management" by Psychologist Özge Altınçubuk. KORKUT team participated in various conferences and meetings throughout the year as an important part of an ongoing training and preparation process to improve their disaster management and response skills.

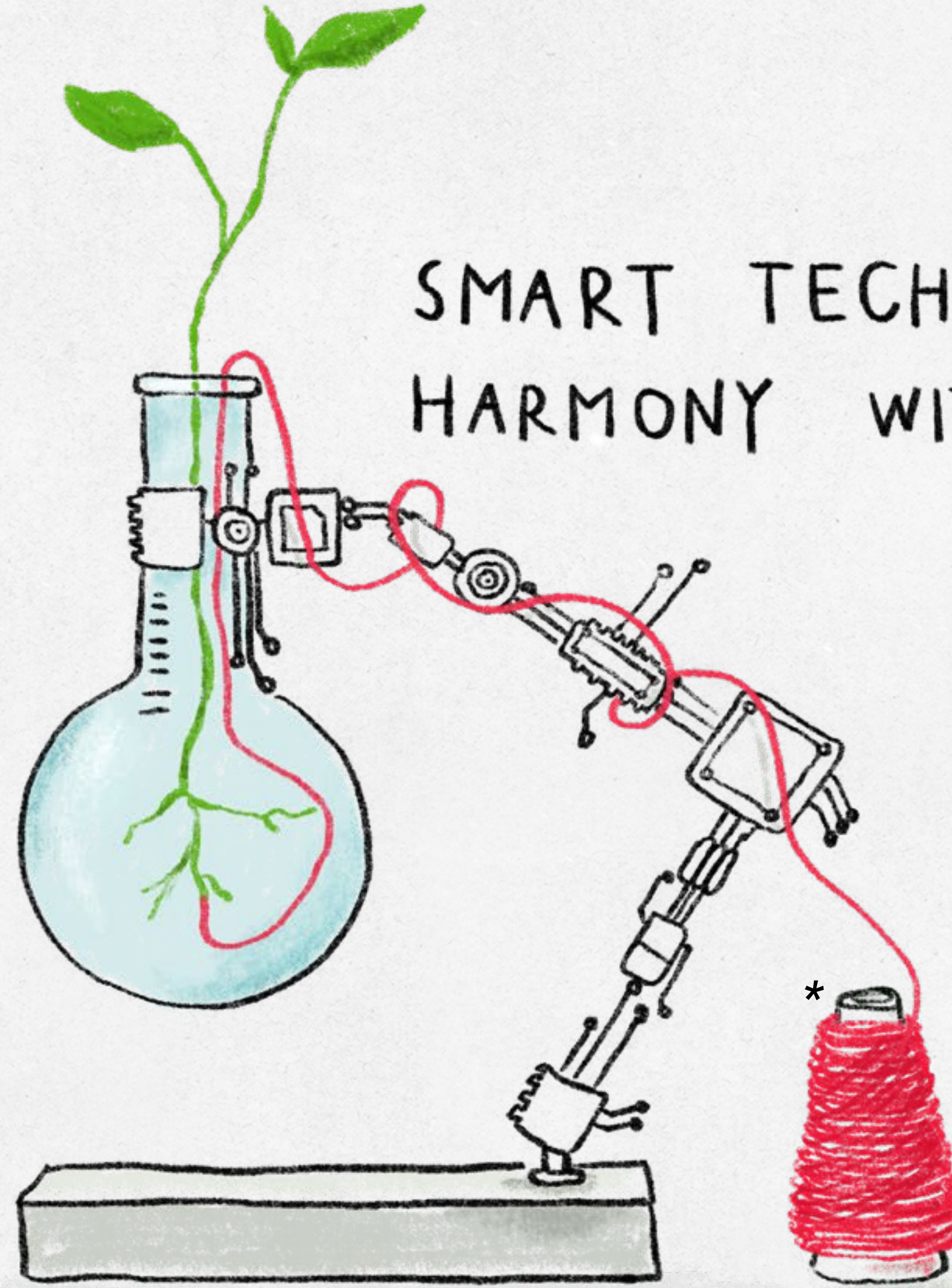
Meta Nikel

Meta Nikel actively supports the education of young people in its operational region by offering educational scholarships through the MZF.

In Çiçekli Pond, which was built within the framework of the protocol signed between Meta Nikel and the Directorate General of State Hydraulic Works (DSİ), 98% of the pumping (energy) arrangement required for the agricultural irrigation activities of farmers is also covered by Meta Nikel.

REGENERATIVE BUSINESS MODELS

SMART TECHNOLOGIES, SOLUTIONS *in*
HARMONY WITH *the* WORLD



REGENERATIVE BUSINESS MODELS

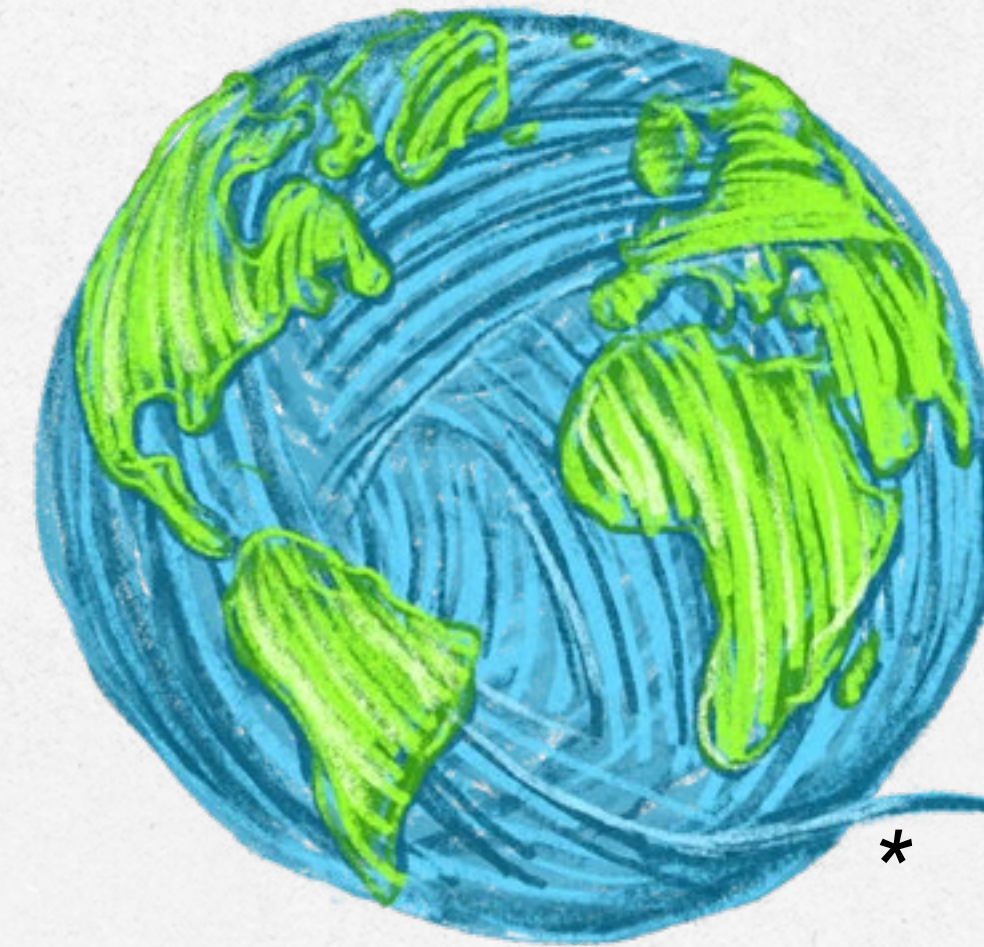
Extreme weather events linked to the climate crisis, critical changes in earth systems, biodiversity loss and natural resource scarcity are identified as the most pressing risks of the next decade. With the increasing frequency and severity of environmental impacts caused by the climate crisis, ecosystems and communities are becoming more vulnerable. Research suggests that if global warming reaches 1.5°C, it will cause irreversible damage to some planetary systems. This level is expected to be reached in the early 2030s, according to current estimates.¹⁸

Companies play an important role in increasing society's resilience to climate change by adopting a variety of strategies and practices that support mitigation and adaptation efforts. While implementing responsible and innovative business models, regular review of new business models within the framework of risk management strategies helps companies maintain their competitive advantage. Integrating the climate crisis into strategic decision-making is becoming more feasible by designing business processes in line with circular economy principles. Sectors that adopt innovative business models carry out activities which focus on creating shared value with an inclusive approach throughout the value chain and assume a pioneering role by developing management approaches.

Our Goals*

- › **Net zero emissions** in Scope 1-2 by 2030 and across the entire value chain (Scope 1-2-3) by 2050
- › 50% reduction in waste by 2030, zero waste by 2050
- › To recover 50% of the water used by 2030 and all of it by 2050

*Sectoral performance against goals is available [here](#).



CLIMATE *in* CRISIS,
SOLUTION *in* OUR HANDS.

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[Global Risks Report 2024,](#)
[WEF](#)

ENVIRONMENTAL MANAGEMENT

Aligned with our responsible investment holding approach, we prioritize the adoption of regenerative business models internalizing the climate crisis and circular economy practices across all our Group companies, ensuring that our investment decisions are guided by these principles. We transform society and our ecosystem within our sphere of influence by involving all stakeholders along our value chain.

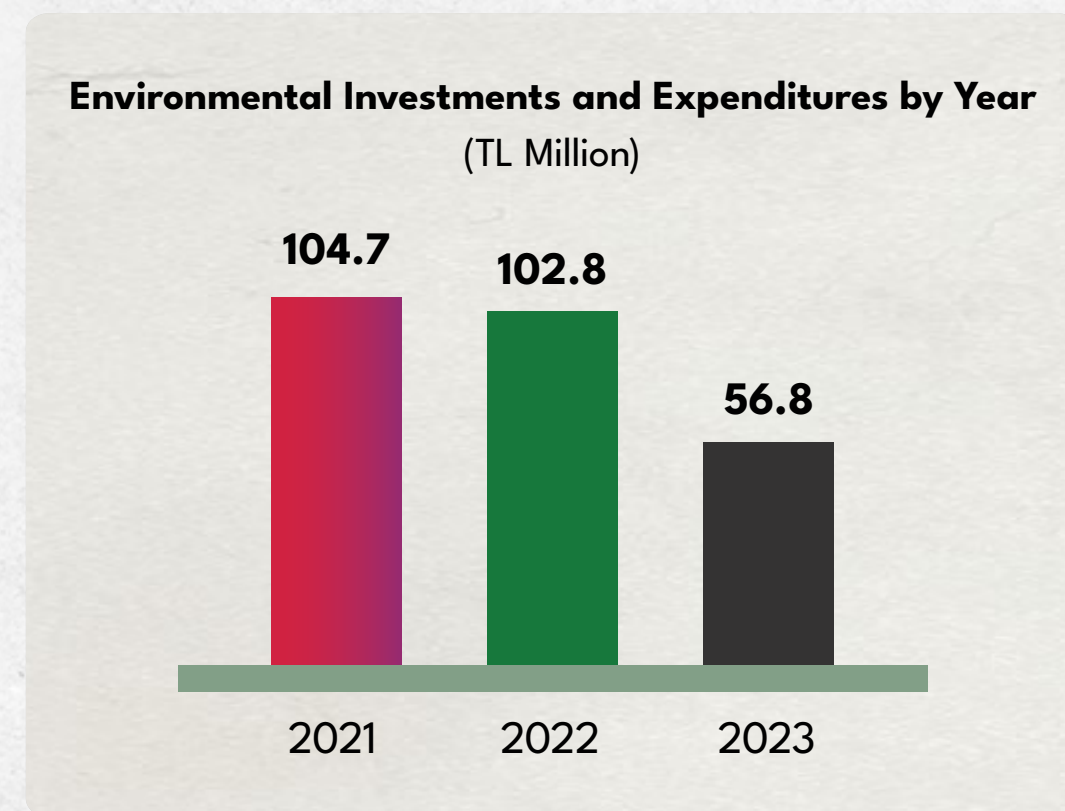
We carry out our environmental management based on international standards in parallel with our sustainability strategy. We monitor our performance in line with the goals we set and strive to disseminate good practices.

The number of enterprises/factories holding ISO 14001 certification reached 42 (79%), while the number of enterprises/factories holding ISO 14064 and ISO 50001 certificates reached 20 (38%) and 18 (34%), respectively.

You can find the international standards and certificates that our Group companies hold regarding the environment in the “Annexes” section.

Driven by the principle of transparency, we share the performance of our Group companies in sustainability and integrated annual reports as well as within the framework of CDP. Zorlu Enerji became the first Turkish energy company to report under the 2023 CDP Deforestation Program, it has been reporting its governance structure, risks and opportunities, corporate strategies and goals for climate change and water security every year since 2014. Vestel Beyaz Eşya has been responding to CDP's Climate Change and Water Security Programs since 2012 and Vestel Elektronik since 2013. Zorlu Enerji and Vestel Beyaz Eşya 's Climate Change score for 2023 is calculated as A- (Leadership).

We regularly monitor environmental investments and expenditures every year and report them for the Group as a whole. In 2023, we invested and spent approximately TL 56.8 million in line with our environmental policies.



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**ZORLU ENERJİ,
BECAME THE FIRST
TURKISH ENERGY
COMPANY TO
REPORT UNDER
THE 2023 CDP
DEFORESTATION
PROGRAM.**

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The European Green Deal and Zorlu Group

The Green Deal, which aims to achieve the European Union's (EU) goal of becoming the first climate neutral continent by 2050, consists of a comprehensive strategy that closely concerns Türkiye. Given our extensive trade relations with the EU and our geographical location, this plan presents Türkiye with both risks and opportunities. The Green Deal includes action plans, regulations and bylaws on a wide range of issues, from clean energy to the circular economy, from food and agriculture strategies to green buildings.

Zorlu Group closely monitors the developments of the European Green Deal and strives to manage risks and seize opportunities with a proactive approach.

Clean energy sector plays a key role in the fight against climate change and the goal of reaching net zero. While companies that produce carbon-intensive energy or continue to perform their activities in this direction have to undergo rapid and costly transformation processes, great opportunities arise for companies investing in renewable energy. This transition process provides a competitive advantage to companies that focus on renewable energy sources, and strengthens the market position of companies that adopt more sustainable and environmentally sensitive business models.

Acting with this sense of responsibility, Zorlu Energy Group aims to increase the share of renewable energy in total electricity generation to 100% by 2030. To achieve this goal, it continues to invest in renewable energy sources such as solar energy and geothermal energy. The Group is taking various steps not only in electricity generation but also in the use of energy. It contributes to increasing the use of electric vehicles by expanding electric vehicle charging stations under the ZES brand in Türkiye and electrip in Europe. At the same time, ZES added a new solution to its sustainable energy solutions by starting to produce high-end solar panels.

We adopt a proactive approach by continuing to work in line with our emission reduction targets in order to be prepared for the risks that the CBAM, which is designed to reduce the risk of carbon leakage and to monitor the emission reduction policy, may pose for our Group companies in the long term.

The Circular Economy Action Plan aims to contribute to Europe's Green Deal goals by introducing new regulations in sectors such as electronics, batteries and textiles. Vestel and Zorlu Textile Group companies, which operate in this context and have commercial relations with Europe, are closely following the new regulations concerning their sectors. Regulations in many areas, from product design to packaging and labeling, result in financial and reputational risks if not complied with. For this reason, we support our Group companies to develop business strategies in line with the European Green Deal and services in line with the sustainable product framework.

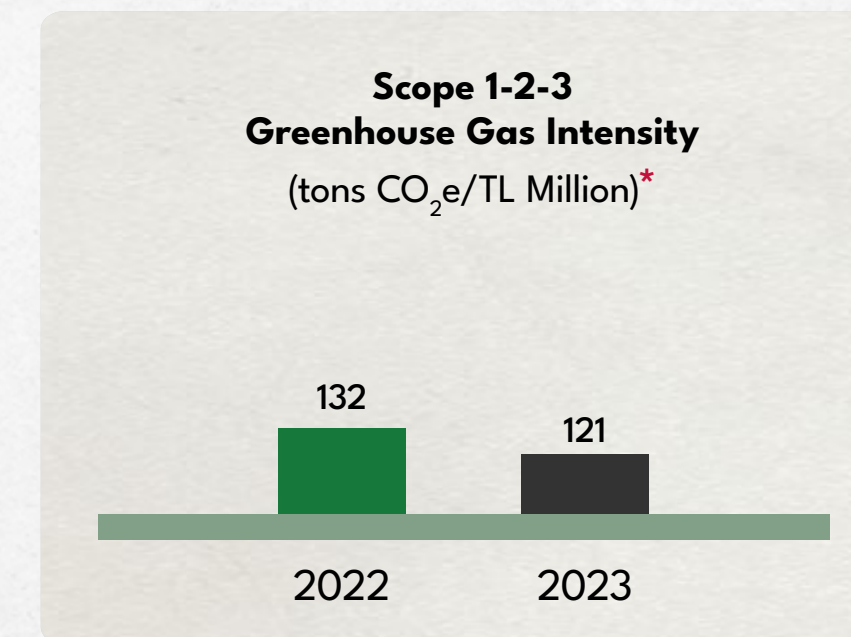
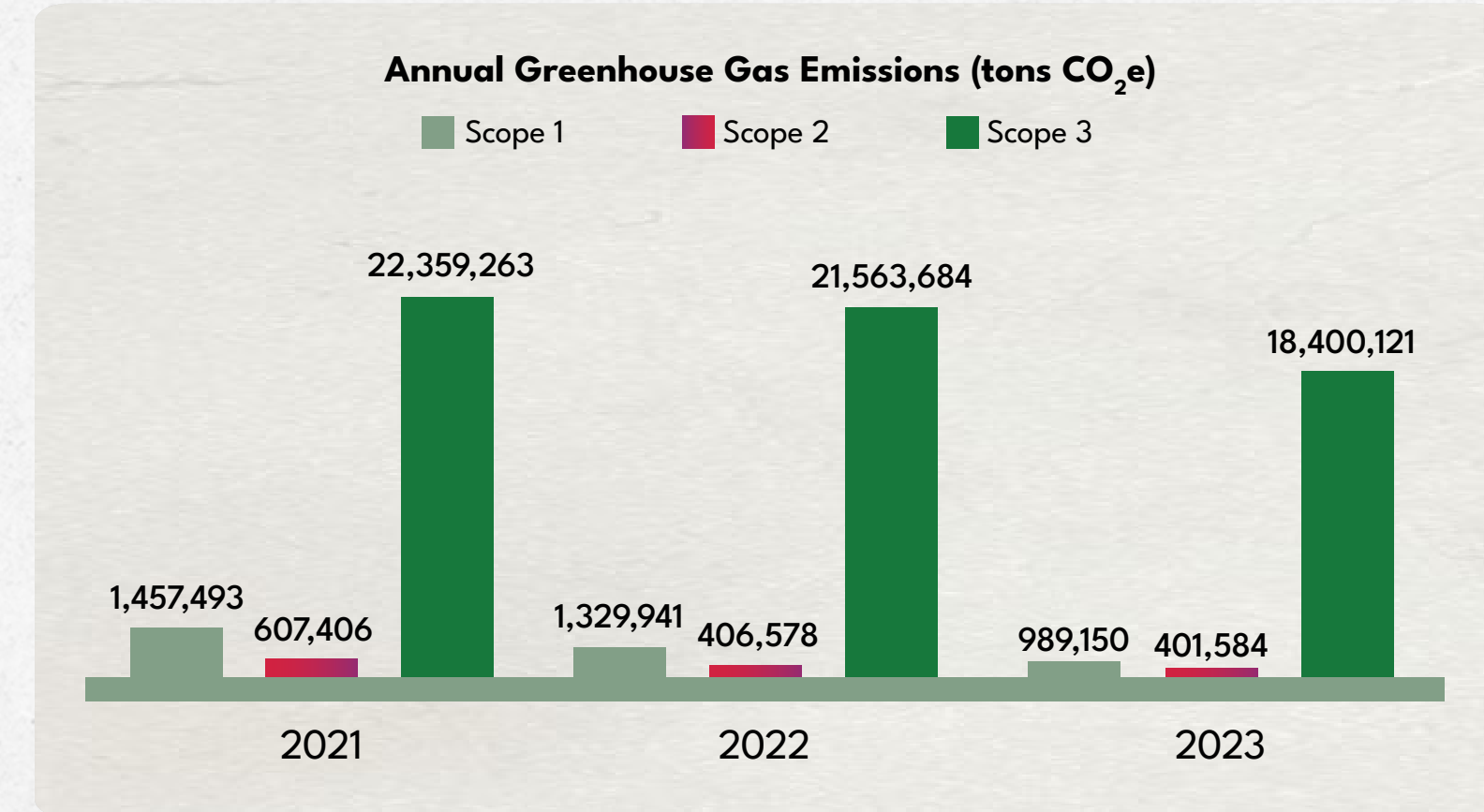
COMBATING THE CLIMATE CRISIS

The Paris Agreement aims to limit global warming to 1.5°C above pre-industrial levels, or at least below 2°C. Global temperatures are rising by 1.5°C from February 2023 to January 2024 is a warning that we are approaching this threshold¹⁹. Ongoing warming could lead to more severe heat waves, higher sea levels, biodiversity loss, longer droughts and stronger storms, and these temperature targets are critical to protect society and the environment. This situation increases the importance of all stakeholders that make up social and economic structures acting together.

Zorlu Holding believes in the importance of initiating transformation in our value chain for a sustainable future and developing collaborations to mitigate the impacts of the climate crisis. It observes various impacts of the climate crisis in the sectors in which it operates and takes steps in line with mitigation and adaptation strategies with this awareness. Europe continues to build public and private partnerships to manage the risks and opportunities of the climate crisis in line with the Green Deal and the Sustainable Development Goals.

As part of our efforts to combat the climate crisis, we plan innovative and low-carbon investments and maximize the use of renewable energy sources in our operations. We aim to trigger the transformation of our value chain, supporting our customers to adopt a responsible consumption approach and other stakeholders to reduce their environmental and social footprint.

In 2023, our total greenhouse gas emissions were measured as 19,790,854 tons of CO₂e. Our Scope 1 and 2 emissions decreased by approximately 20% year-on-year and 37% compared to 2020, the base year, dropping to 1,390,734 tons of CO₂e. Our Scope 3 emissions amounted to 18,400,121 tons of CO₂e.



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Global Climate Highlights
2023

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The annual greenhouse gas emission amounts may vary based on improvements in calculation methods and expansions in scope. Presented data represents the most recent information available

“ The climate crisis is one of the greatest environmental and economic challenges in human history. To tackle this crisis, we need to take strategic steps to secure the sustainability of our planet and guarantee the well-being of future generations. Acting with this awareness, Zorlu Holding develops comprehensive decarbonization strategies in its sectors and shapes its asset and resource management, investment and growth plans with this new approach. While this net zero journey prioritizes innovation and new technology transformation in all sectors, it also creates a leverage effect for the construction of a value-added business model compatible with the future. ”

Kerem Okumuş
S360 Co-Founder and CEO

CLIMATE EFFORTS AT ZORLU HOLDING COMPANIES

In line with its goal of achieving net zero emissions by 2050, Vestel Elektronik took an important step towards decarbonization by making a commitment under SBTi. In this context, it aims to reduce Scope 1 and 2 emissions by 42% and Scope 3 Category 11 (use of sold products) emissions by 25% by 2030 compared to the base year of 2021. As part of its efforts to combat the climate crisis, it plans to generate 11,882 MWh of electricity annually with 8,200 kWp of solar panels and reduce carbon emissions by 5,430 tons. At the same time, it aims to increase the sales share of products with low energy labels and accelerate R&D and innovation efforts to develop products beyond the compliance level.

Zorlu Enerji aims to actively reduce greenhouse gas emissions through investments in renewable energy sources. The company is committed to generating all of its energy from renewable sources by 2030 and becoming a net zero company by 2050 by eliminating all emissions from its operations. Thus, it is working to facilitate carbon-free growth not only for its own operations but also for its customers. Zorlu Enerji, the first energy company in Türkiye to sign the SBTi, filed an application by aligning its current targets for 2023 with the initiative. In this context, it is waiting for the validation process to limit global greenhouse gas emissions to 1.5°C in line with the goals of the Paris Climate Agreement. Zorlu Enerji conducts risk analyses in all its operational activities, focusing on minimizing environmental impacts. In addition, it strives to work on the environment and human health by taking measures such as proper disposal of waste, efficient use of natural resources and being prepared for accidents and disasters that may harm the environment.

As Zorlu Holding, we demand the preparation of decarbonization roadmaps in all sectors in which we operate in line with our net zero target. In this respect, we support the efforts of our Group companies.



ENERGY MANAGEMENT

Widespread use of fossil fuels is one of the main drivers of greenhouse gas emissions on a global scale, despite meeting a large share of energy demand. Efforts to tackle the climate crisis focus on decarbonizing energy generation. These efforts aim to increase the use of renewable energy sources and alternative energy sources. In particular, with the increasing use of renewable energy sources, resources such as solar and wind are projected to triple by 2030. This is expected to result in a 2-fold improvement in energy intensity and a 75% reduction in methane emissions due to a reduction in the amount of fossil fuels used in power generation²⁰.

Volatility in energy markets and security concerns present an opportunity to change consumers' energy habits by accelerating clean energy investments. Zorlu Holding and Group companies are increasing the amount of renewable energy in their energy use with a focus on reducing greenhouse gas emissions. Energy efficiency projects launched in 2023 resulted in a total of 280,777 MWh of energy savings and TL 24,5 million in financial savings.

Renewable Electricity Practices at Zorlu Holding and Group Companies

Zorlu Holding started using renewable energy through I-REC in Levent 199, the first A+ office project of this size in Türkiye with LEED Gold certification, in the last quarter of 2021.

Zorlu Gayrimenkul and Zorlu Tekstil continue to improve their ESG performance by putting sustainability at the core of their operations as per the Smart Life 2030 strategy. Zorlu Center and Zorlu Tekstil collaborated with Zorlu Energy Group to certify the electricity they use with I-REC. This certificate shows that the energy needs of Zorlu Tekstil Kırklareli Campus, Zorlu Center Shopping Mall, Zorlu PSM and Raffles İstanbul are met with the energy generated by Zorlu Energy Group's Alaşehir Geothermal Power Plant. In addition, the environmental impact of electric vehicles is minimized with renewable energy supplied to the electric vehicle charging stations at Zorlu Center.

Zorlu Energy Group is taking part in the eCharge4Drivers project launched within the scope of Horizon 2020 in Europe with its ZES and hourly electric vehicle rental platform electrip brands. Under this project, Zorlu Energy Group aims to improve the electric vehicle charging experience in cities and intercity journeys, and plans to develop pilot projects in 10 areas in Europe.

You can find the Our Stories video about Zorlu Energy Group's eCharge4Drivers project [here](#).

Through the [Renewable Energy Commitment Letter](#) published in 2021, Zorlu Enerji aims to increase the share of renewable energy in total electricity generation to 100% by 2030 and to diversify and expand its renewable energy portfolio. The company continues to invest in accelerating the transition to renewable resources such as geothermal, wind and solar.

In 2023, Zorlu Enerji commissioned its hybrid power plant, the first in Türkiye. With the addition of solar energy support to Alaşehir GPP in Manisa, the company commissioned a renewable electricity generation facility that will generate energy from geothermal and

solar energy at the same time. Thus, the geothermal power plant, which had a power of 45 MWe, was increased by 3.75 MWp with the support of solar energy. The Combined Renewable Electricity Generation Facility, which will generate 6 million kWh of energy per year when it becomes hybrid, is expected to contribute TL 4.5 million to the national economy annually. Zorlu Enerji aims to increase the number of hybrid power plants in its portfolio.

In order to achieve its Scope 1 and 2 emission reduction targets, Vestel aims to introduce practices such as replacing the company fleet with hybrid and electric vehicles, improving and automating energy monitoring systems, energy efficiency measures taken at production facilities, switching to low emission factor systems in the energy portfolio of production activities, expanding renewable energy generation systems to meet electricity needs, and using renewable energy certificates throughout operational activities.

In 2023, Meta Nikel completed the feasibility studies for providing some of the electricity it uses from renewable sources by installing solar panels on the roofs of its plant buildings. In 2024, it is planned to be implemented on a pilot scale with a building.

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[World Energy Outlook 2023](#)

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OUR HOLDING AND GROUP
COMPANIES SUPPLIED 321,106
MWH OF I-REC CERTIFIED
ENERGY IN 2023.

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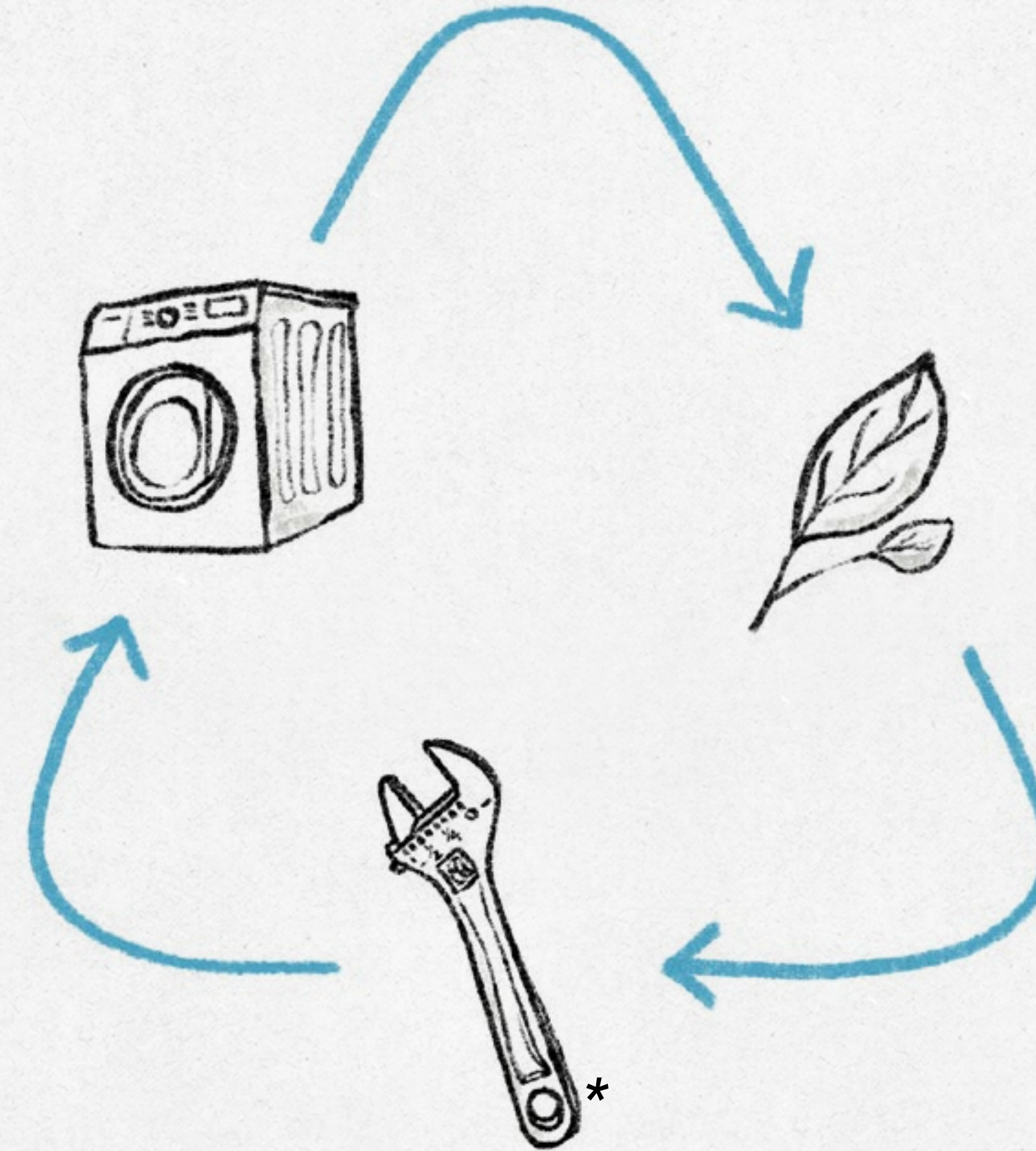
CIRCULAR ECONOMY

The “produce-use-dispose” linear economy model adopted with increasing industrialization leads to many global problems such as resource depletion, waste generation and pollution. The circular economy, which is critical in the fight against the climate crisis, is emerging as a new paradigm that offers solutions to these problems. It protects natural ecosystems by supporting the reuse of waste as raw materials and the creation of new production cycles.

The Circularity Gap Report 2024 highlights that while the debate on circularity has almost tripled in the last 5 years, this has still not led to a reduction in the use of new materials. The report shows a reduction in the circularity gap from 9.1% in 2018 to 7.2% in 2023. This represents a 21% decline over a five-year period.²¹

Global circularity rate offers significant opportunities for the business world with the adoption of innovative business models emerging with the circular economy vision by all social and economic stakeholders. The circular economy not only creates economic value, but also environmental and social benefits, supporting the transition to a low-carbon economy in different dimensions. In this context, companies' adoption and implementation of circular business models allows them to both reduce their environmental impact and gain competitive advantage.

Zorlu Holding and Group companies aim to minimize resource use in their production processes by adopting a circular economy approach. It aims to create a positive impact in the value chain with a “waste = raw material” approach by adopting principles that extend the life cycles of products from the design stage. Through innovative circular business models, we benefit society, the environment and our business, while collaborating to design and implement more circular and self-sustaining systems. Vestel, one of our Group companies, is implementing the Material Inspection and Recovery Project, which ensures that defective materials and products are repaired and reused by adopting circular economy principles. While authorized service providers are responsible for collecting defective parts replaced in the field, the Recycling Unit repairs these parts and puts them back into use as spare parts. In 2023, 24,052 spare parts were recovered, resulting in savings of TL 7.7 million.



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Circularity Gap Report 2024

NATURAL RESOURCE AND WASTE MANAGEMENT

Increased consumption of natural resources contributes significantly to climate change, biodiversity loss and pollution. Practices in resource extraction and utilization not only lead to these crises, but also to social inequalities. Without a comprehensive shift towards sustainable resource use, current trends continue to deepen ecological destruction and global economic inequalities.

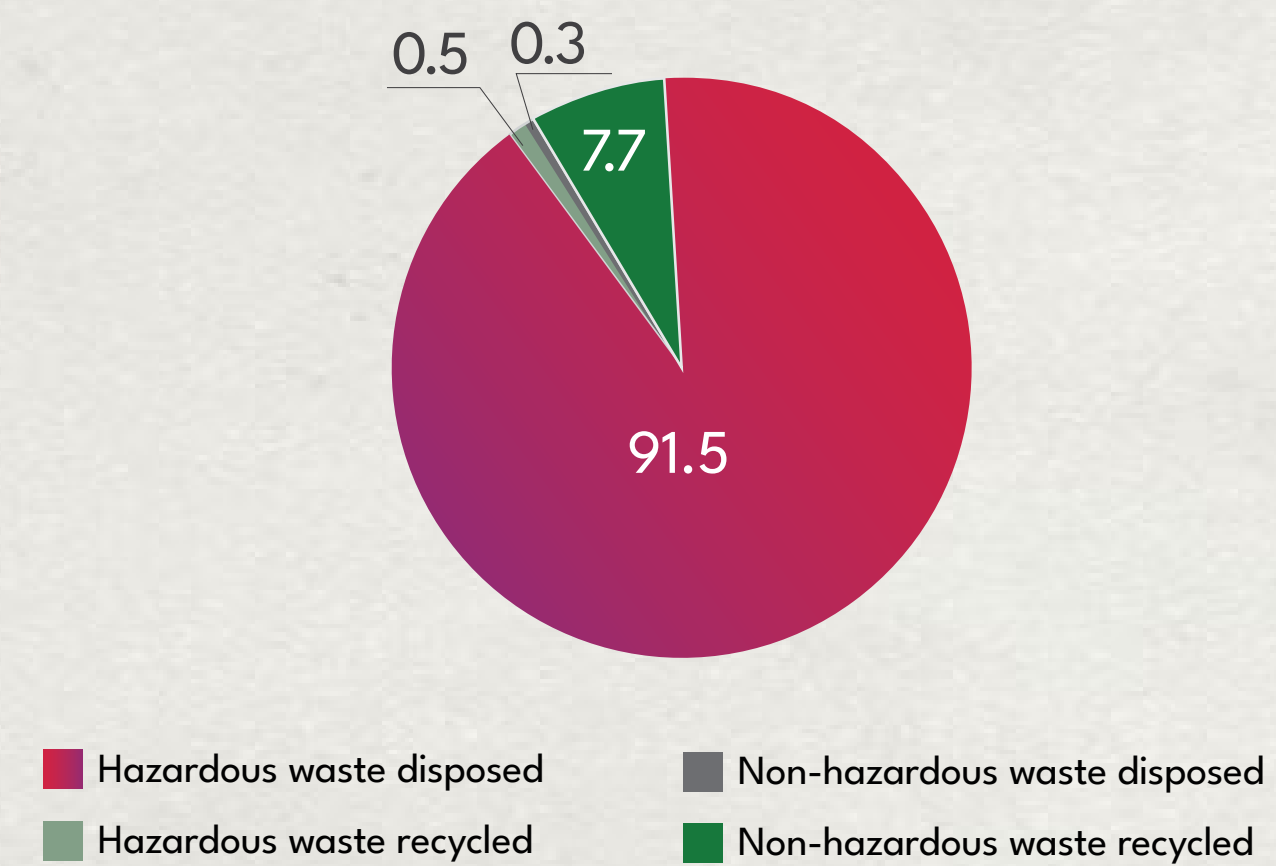
Production and consumption of final goods and services relies heavily on the use of natural resources. If no action is taken, global resource use is projected to increase by 60% between 2020 and 2060. In this case, the number of resources used is expected to increase from 100 billion to 160 billion tons. In addition, the use of materials has been steadily increasing over the last five decades. This trend is expected to continue with an estimated 106.6 billion tons of resource use in 2024, growing at an average annual rate of 2.3%.²²

Problems related to water resources, one of the most basic natural resources, are increasing rapidly with the climate crisis. About half of the world's population faces water scarcity at some point in the year. Communities in 25 countries - a quarter of the global population - are under "extremely high" water stress, using more than 80% of renewable freshwater resources each year. This scarcity often leads to conflicts over limited water resources.²³

Zorlu Holding and Group companies are striving to use natural resources more efficiently in their operations, with a priority on water management in the mining, metallurgy and energy sectors in which they operate. It aims to reduce its operational impact by focusing on recovery practices and clean use of resources. In our operations in the textile, consumer electronics and white goods sectors, we reduce the use of resources and produce more economical products by making processes smart and digital with innovative technologies. In this context, we manage not only the environmental impact of our production processes, but also the environmental impact of the use of our products, thereby reducing our customers' use of energy and natural resources. We support our practices by conducting life cycle analyses of products from the design stage to prevent potential environmental impacts.

In order to achieve the zero-waste target, we effectively manage waste, especially plastic waste, and evaluate it both financially and environmentally. We focus on preventing waste generation and then efficiently implement recovery and recycling processes.

2023 WASTE DISTRIBUTION (%)*



* Including process waste regularly landfilled by Meta Nikel.

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[Global Resources Outlook
2024](#)
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[The United Nations World
Water Development Report
2024](#)

ZORLU GROUP'S BUSINESS PLASTIC INITIATIVE COMMITMENTS

Zorlu Holding, Vestel Beyaz Eşya and Vestel Elektronik pledged to reduce and prevent the use of plastics by the end of 2023 as part of the BPI launched at the end of 2019.

In 2020, Zorlu Holding Head Office consumed 2,730 kilograms of single-use plastic bottles. According to our commitment, we aimed to reduce this consumption by 30% in 2021, but it increased by 15% due to the pandemic. In 2022, the purchase of pet bottled water was stopped and the transition to glass bottles and carboy water was made. Thus, the targeted 70% reduction was exceeded, reaching 91% and the 2023 target was achieved.

Vestel Beyaz Eşya cooperates with suppliers and initiatives to increase the use of recycled and alternative plastic raw materials in its production processes. In this context, Vestel Beyaz Eşya, which aims to reduce plastic use by one thousand tons by the end of 2023 compared to 2020, reduced 26 tons of plastic in packaging materials and 313 tons of plastic in products in 2023. Besides, it targeted the use of 7,081 tons of recycled plastics from 2021 until the end of 2023 and used 5,046 tons of recycled plastics in 2023, avoiding the use of a total of 5,385 tons of virgin plastics. Vestel Beyaz Eşya is also reducing the use of plastics by improving the design of all white goods products and packaging with the collaboration of its R&D and production units. By investing in alternative materials to plastic, it aims to expand the use of bio-based raw materials such as rice husks, orange peels and olive pits in refrigerator parts. In 2023, the use of recycled and biologically sourced plastics in the production of some parts was approved.

Vestel Elektronik aims to recycle production and engineering waste and reuse it in its products and components with the cooperation of its Production, R&D and Quality Control teams. In this context, Vestel Elektronik, which aimed to use 629 tons of recycled plastic by the end of 2023, exceeded its commitment and used 910 tons of recycled plastic. In addition, by reducing the use of plastic in packaging materials by 88 tons, the company managed to prevent the use of 998 tons of virgin plastic in total.



Zorlu Group's Circular Economy Practices

Vestel Group of Companies

Within the scope of the Zero Waste Management System, Vestel Elektronik prioritizes preventing, reducing, recycling and recovering waste in all its operations. The waste generated during production processes is separated at the source, kept in temporary storage areas and sent to licensed companies in accordance with the Waste Control Regulation. Vestel Elektronik recycles 93% of its production waste and Vestel Beyaz Eşya recycles 95% of its production waste with a zero-waste approach. Vestel Elektronik, which also evaluates food waste within the framework of zero waste practices, composted 2,004 kg of food waste and donated 99.4 tons of food waste to stray animals in 2023.

In 2021, Vestel started using 100% recycled Forest Stewardship Council (FSC) certified cardboard in the packaging of Vestel refrigerators and dishwashers. In 2022, this practice was extended to all Vestel branded white goods sold in Türkiye. In 2023, Vestel Beyaz Eşya used a total of 8,193 tons of recycled cardboard, 4,515 tons of which carried FSC logo. Vestel Group of Companies used 20,667 tons of recycled cardboard in 2023.

Vestel Beyaz Eşya has developed a washing machine with the ability to filter microfiber particles that prevent micro plastic pollution with the filtering technology integrated into the washing machine door. This technology is designed to prevent very small synthetic fiber particles that break off during washing from entering the environment. Thus, water in the washing machine passes through the filter and traps insoluble fiber particles. In addition to the Sustainable Business Awards presented by the Sustainability Academy in 2023, this product was also recognized with an award in the Business-to-Consumer Excellence - Household Appliances category at the German Innovation Awards.

You can access the Our Stories video, which explains the details of the microfiber washing machine launched by Vestel Group of Companies, [here](#).

Through the Domestic Recycling Project launched by Vestel Elektronik, consumers contribute to the recycling of electronic waste. Old electronic products and white goods, regardless of

brand, are taken from the homes of consumers free of charge by Vestel authorized service providers and recycled under appropriate conditions. Proceeds from sales to recycling companies are donated to non-governmental organizations for use in environmental projects. In 2023, customers participated in the Domestic Recycling process with 2,353 products. In addition, under the project, a total of 500,000 seed balls have been dropped so far using the drone seed ball method in areas that are difficult to afforest through ecording, one of the graduates of the Issue Process of imece, of which Zorlu Holding is a founding partner.

Zorlu Energy Group of Companies

Zorlu Energy Group reuses the cable waste generated during its operations and the installation of electric vehicle charging stations with an environmentally friendly approach. Metal waste is recycled as scrap and brought into the economy in accordance with the principles of circular economy. Recyclable waste such as polyethylene pipes and plastic materials is collected and directed to recycling facilities, thus contributing to the recovery of resources. In 2023, ash waste from thermal power plants was also delivered to third-party companies in this context, enabling waste to be recycled into the economy. JIDEP, one of Zorlu Energy Group's R&D projects, focuses on the recycling of composite materials such as wind turbines and aims to reuse these materials. 13 partners from 7 countries will collaborate in this R&D project to create a database of recycled composite materials, which will promote the reuse of materials and the efficient use of resources. Under the project, Zorlu Enerji aims to contribute both environmentally and economically to the sector with the experience gained in recycling end-of-life wind turbine blades at Gökçedağ WPP. In 2023, various events were organized and stakeholders were contacted, including the Wind Turbine Blade Recycling Workshop in Izmir.

Zorlu Textiles Group

Korteks Polymer Recycling Facility produces RPET Chips, the raw material for polyester yarn, from plastic bottles and other waste yarns, thus ensuring that plastic waste is recycled into the circular economy. With a capacity of 20 tons per day and 600 tons per month, the facility produces polymer chips using both post-consumer and post-industrial raw materials. Korteks' Virgin PES yarn facility produces with zero waste. This plant can recycle approximately 110 thousand plastic bottles to produce 1 ton of recycled yarn. Korteks, which recycles plastic bottles and polyester-based yarn waste and reintroduces them into the economy, has conducted Life Cycle Analyses for the 3 types of R-PPET chips it produces. These analyses show reduced greenhouse gas emissions, energy consumption and use of natural resources compared to conventional production methods.

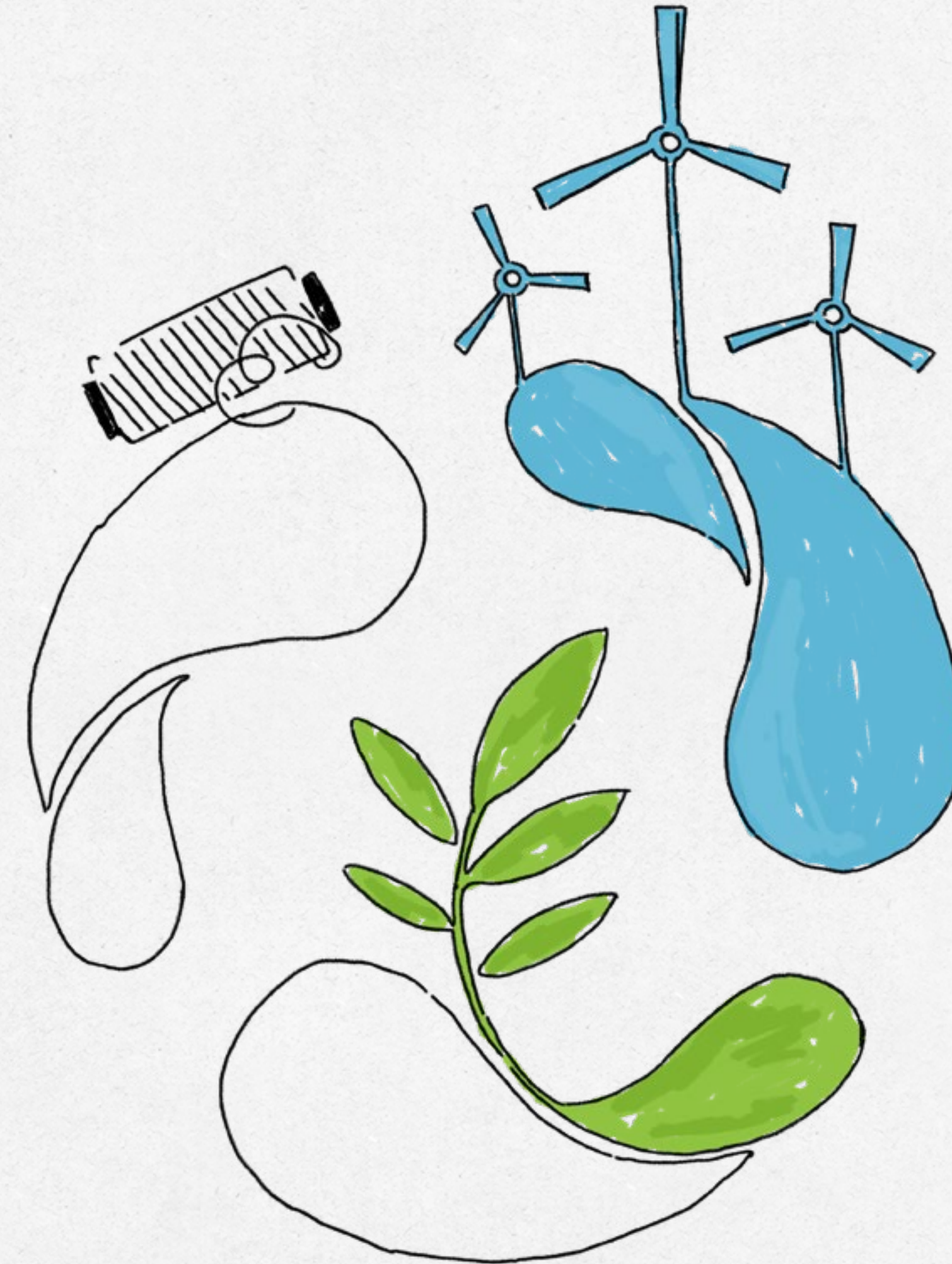
You can access the Our Stories video about Korteks Polymer Recycling Facility [here](#).

Via Zorlu Tekstil Curtain Treatment Plant Wastewater Recovery Project, the waste characterization of 600 cubic meters of water discharged as wastewater was initially studied and the process to bring it to the required quality was identified. By using additional equipment and available tanks, disinfection, sand filter and activated carbon practices, the discharge water was subjected to an additional treatment process to obtain reusable water. This water is used to wash dyed printing stencils with the support of technological infrastructure. Thus, it consumes fewer natural resources and meets the needs of a different process by symbiosis within the wastewater facility of approximately one thousand cubic meters. Via this project organized entirely by its own teams, Zorlu Tekstil prioritizes resource efficiency and contributes to recycling without causing high investment costs.

Details of Zorlu Tekstil Curtain Treatment Plant Wastewater Recovery Project are available [here](#).

Zorlu Real Estate Group

Zorlu Center serves as a mixed-use project with 5 functions. In 2021, it established the Zero Waste Management System and was issued a Zero Waste Certificate from the Ministry of Environment and Urbanization. The waste collected from 622 different areas in Zorlu Shopping Mall, Zorlu PSM, Raffles Istanbul, residences and offices is sorted in 12 sections and delivered to licensed companies. In this way, approximately one thousand tons of waste is recycled and recovered annually. In 2023, more than 860 tons of paper and plastic waste was separated and sent for recycling, of which 70% was paper and 30% plastic.



BIODIVERSITY

Irreversible destruction of ecosystems and rising sea water temperatures caused by the climate crisis and human activities are being felt around the world. This leads to an increasing number of species that cannot adapt to the adaptation process. Nature underpins the global economy, accounting for around 58 trillion in global GDP through activities such as water, mineral use and climate regulation.²⁴ The WEF's Global Risks Report 2024 points out that environmental risks account for half of the 10 most critical risks in the next decade and ranks biodiversity loss and ecosystem collapse as the third biggest global risk to humanity²⁵.

Zorlu Holding and Group companies monitor the impact of their activities on biodiversity and take care to manage it effectively. Accordingly, it aims to implement restorative and remedial practices. It aims to effectively manage biodiversity in the areas where it operates, especially in the mining and energy sectors. We engage in monitoring and conservation activities to protect biodiversity and restore ecosystems, and aim to reduce our impact on biodiversity through new investments. We act with the vision of creating a net positive impact by identifying environmental risks in advance and quickly implementing preventive actions. Zorlu Group allocated a budget of TL 3.6 million for biodiversity investments and expenditures in 2023.

Zorlu Enerji Biodiversity and Ecosystem Management System

Zorlu Enerji evaluates all of its activities in Türkiye in line with the performance standards and requirements of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). This evaluation is based on a literature review and field studies and aims to conserve biodiversity and manage living natural resources in a sustainable way. Zorlu Enerji emphasizes the importance it attaches to this issue with its [Biodiversity Conservation Commitment Letter](#) and recognizes this commitment as a fundamental condition for global sustainability.

Zorlu Enerji continues to engage in activities by integrating the Biodiversity and Ecosystem Management System, which it established in 2022, into its business processes. It manages the documentation of the management system through the

Quality Document Management System (QDMS). Species at risk were identified for each facility and strategic action plans were developed for their protection and communicated to the relevant units. In this context, a Critical Species Booklet has been created by identifying critical species and is planned to be distributed to power plants in 2024. It also aims to raise awareness through trainings organized for power plant personnel. The progress of these comprehensive actions is communicated to the senior management and the Sustainability Board through detailed annual reports. There are biodiversity action plans specific to power plants for the protection of critical species in their operational areas. In line with these plans, periodic observation studies are carried out for threatened species.

Zorlu Energy Group aims to invest a total of TL 10 million by 2030 to conserve and enhance biodiversity.

Zorlu Enerji Zero Carbon Footprint Forests Project

At fairs and summits, Zorlu Energy Group calculates the carbon footprint of booth visitors and the stand and carries out afforestation efforts to compensate for it. Zorlu Enerji aims to return 1.2 million tons of carbon dioxide to the soil by 2075 with a total of approximately 1.2 million saplings by 2030 by planting 90 thousand saplings every year as part of the Zero Carbon Footprint Forests Project. Under the Directorate General of Forestry's Commemorative Forests Decree, Zorlu Enerji carried out afforestation works consisting of 600 thousand saplings in the regions where it operates until the end of 2023.

Zorlu Enerji Agricultural Impact Assessment Study

Zorlu Enerji conducted an agricultural impact assessment study to understand and evaluate the potential impacts of geothermal power generation activities on agricultural systems. This study aims to determine the long-term impacts of geothermal operations on surrounding farmland, local vegetation and water resources.

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[How the world's largest companies depend on nature and biodiversity](#)

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[Global Risks Report 2024, WEF](#)

Zorlu Enerji Yellow Heliotrope Conservation Project

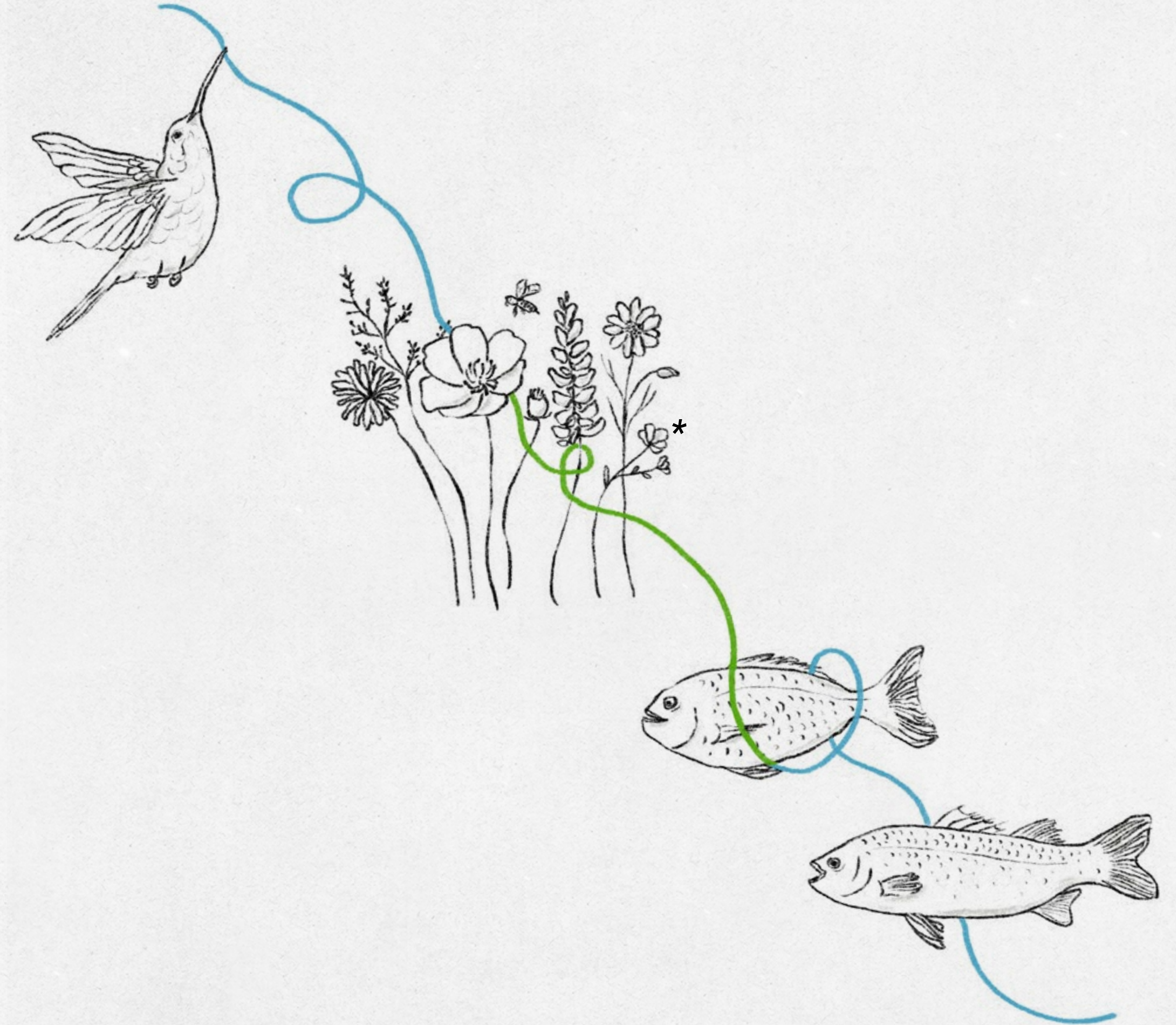
In line with its Biodiversity Action Plans, Zorlu Energy Group initiated efforts to protect the yellow heliotrope, a species with a very narrow habitat near Kızıldere 3 GPP in 2023. Conservation of the species, which grows only in Sarayköy district of Denizli, was carried out in cooperation with Pamukkale University. Although the yellow heliotrope is a critically endangered species, it is not on the red list of the International Union for Conservation of Nature (IUCN). Zorlu Energy Group initiated an effort to add the yellow heliotrope to this list and to protect the genetic diversity of this herb.

OEDAŞ Flexiglass Work for Migratory Birds

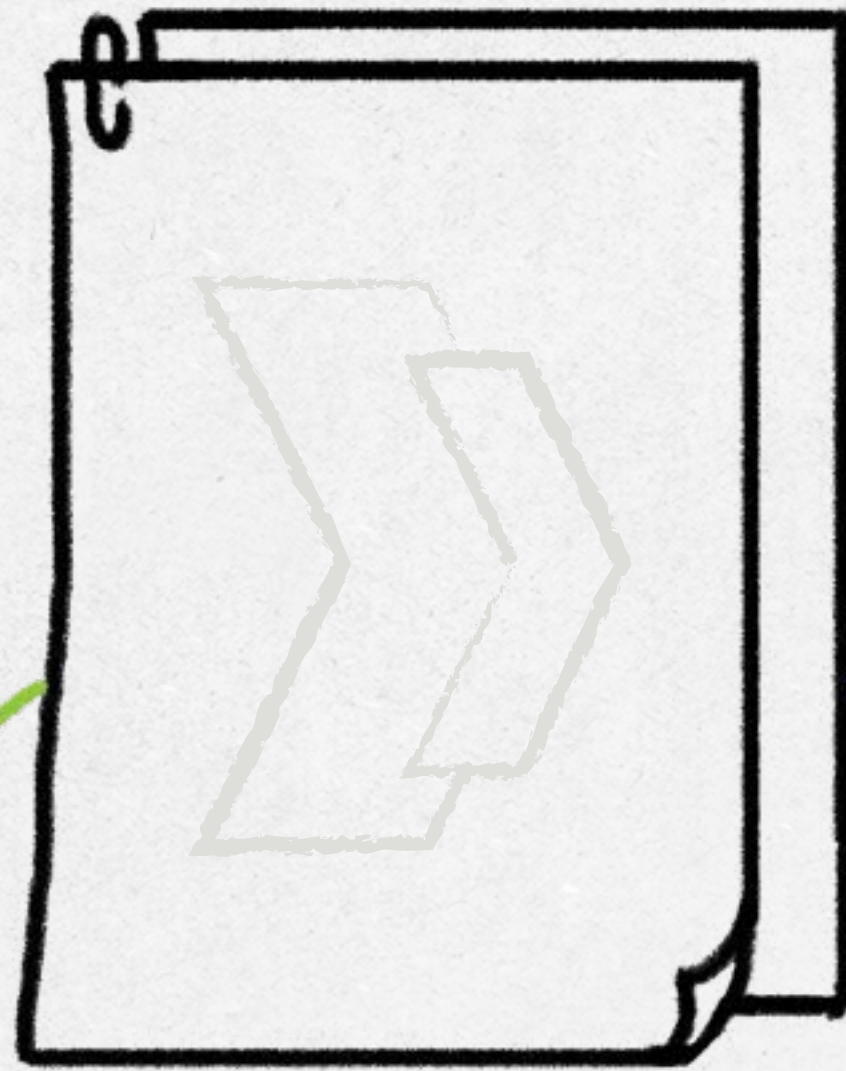
OEDAŞ, the electricity distribution company of Zorlu Energy Group, pioneers the protection of migratory birds with innovative work on power lines along bird migration routes. In order to sort out the instances that cause birds to get caught in the current in the power transmission lines, it covers the lines using a transparent hard plastic material called flexiglass and enables birds to nest safely. A pilot was launched in Afyonkarahisar, and then implemented in 5 other provinces served by OEDAŞ.

Meta Nikel Biodiversity Studies

Meta Nikel initiated a comprehensive study in 2023 to identify and minimize the impacts of mining activities on biodiversity. With the participation of expert academics, flora and fauna samples were collected, location data was analyzed, biodiversity monitoring points were identified and actions for improvement were identified during expeditions within a 40 km radius of ore beneficiation and mining sites. In 2024, it is planned to carry out studies to follow up on the actions identified.



APPENDICES



MEMBERSHIPS AND COLLABORATIONS*

- 30%Club
- APPLIA
- Association of Artificial and Synthetic Yarn Manufacturers (SUSEB)
- Association of Corporate Communicators (KİD)
- Association of Private Sector Volunteers (ÖSGD)
- Authorized Economic Operator (AEO) Association
- Automotive Suppliers Association of Türkiye (TAYSAD)
- Bursa Organized Industrial Zone Industrialists' and Business People's Association (BOSİAD)
- Business Against Domestic Violence (BADV)
- Community Volunteers Foundation (TOG)
- Corporate Governance Association of Turkey (CGAT)
- Corporate Social Responsibility Association of Turkey
- Electricity Distribution Services Association (ELDER)
- E-mobility Operators Association (E-MOD)
- Endeavor Association
- Energy Efficiency Association (ENVER)
- Energy Industrialists & Business Association (ENSİA)
- Energy Investors Association (GÜYAD)
- Energy Traders Association (ETD)
- Ethics & Reputation Society (TEİD)
- European Man-Made Fibres Association (CIRFS)
- EuroTex
- Federation of Women Associations of Turkey (TKDF)
- Foreign Economic Relations Board (DEİK)
- Foreign Trade Association of Türkiye (TURKTRADE)
- Geothermal Energy Association (JED)
- Global Reporting Initiative STG. (GRI)
- Good Cotton Practices Association (İPUD)
- Green Collar Women Association (GCWA)
- Green Hydrogen Producers Association (H2DER)
- Guide Dogs Association
- HİGG CO LLC
- Hydrogen Technologies Association
- Informatics and Information Security Research Center (TÜBİTAK-BİLGEM)
- Integrated Reporting Network Turkey (ERTA)
- International Competition and Technology Association (URTEB)
- International Patent Association (UPB)
- Istanbul Foundation for Culture and Arts (İKSVA)
- imece
- İstanbul Textile and Apparel Exporters' Associations (İTKİB)
- KOJENTÜRK- Turkish Cogeneration Association (TÜRKOTED)
- Quality Association of Turkey (KalDer)
- Sabancı University İstanbul International Center for Energy and Climate (IICEC)
- Sabancı University Inovent Intellectual Property Rights Management Trade and Investment Joint Stock Company
- Teachers Network
- The Business and Sustainable Development Council (BCSD Türkiye)
- The Business Plastic Initiative (IPG)
- The European Technology Platform for the Future of Textiles and Clothing (Textile ETP)
- The European Technology Platform For-Belgium
- The Union of Chambers and Commodity Exchanges of Türkiye (TOBB)
- The Women Entrepreneurs Association of Turkey (KAGİDER)
- TMMOB Chamber of Environmental Engineers (ÇMO)
- Turkish Education Foundation (TEV)
- Turkish Home Textile Society (TETSİAD)
- Turkish Industry & Business Association (TUSİAD)
- Turkish Public Relations Association (TÜHİD)
- Turkish Solar Energy Industry Association (GENSED)
- Turkish Wind Energy Association (TWEA)
- Uludağ Exporters' Association (UİB)
- Uludağ Textile Exporters' Association (UTİB)
- United Nations Global Compact (UNGC Türkiye)
- Water Europe
- White Goods Manufacturers' Association of Turkey (TÜRKBEŞD)
- Women on Board Association Turkey (WOB Turkey)
- Women's Empowerment Principles (UN WEP's)
- World Energy Council (WEC)
- Yanındayız Association
- YenidenBiz Association
- Zero Discharge of Hazardous Chemicals (ZDHC)

CERTIFICATES

	ISO 9001 Quality Management Systems	ISO 45001 Occupational Health and Safety Management System	ISO 14001 Environmental Management Systems	ISO 14064 Greenhouse Gas Validation and Verification Standards	ISO 14046 Water Footprint Quantification and Reporting Standards
ZORLU ENERJİ	✓	✓	✓	✓	✓
VESTEL BEYAZ EŞYA	✓	✓	✓	✓	✓
VESTEL ELEKTRONİK	✓	✓	✓	✓	✓
ZORLUTEKS	✓	✓	✓	✓	✗
KORTEKS	✓	✗	✓	✓	✗
META NİKEL	✓	✓	✓	✗	✗
ZORLU GAYRİMENKUL	✗	✗	✗	✗	✗

	ISO 50001 Energy Management System	ISO 27001 Information Security Management System	ISO 22301 Business Continuity Management System	SA 8000 Social Accountability Management Systems	IATF 16949 Automotive Quality Management System
ZORLU ENERJİ	✗	✓	✗	✓	✗
VESTEL BEYAZ EŞYA	✓	✓	✗	✗	✗
VESTEL ELEKTRONİK	✓	✓	✗	✗	✓
ZORLUTEKS	✓	✓	✓	✗	✗
KORTEKS	✗	✗	✗	✗	✓
META NİKEL	✓	✗	✗	✗	✗
ZORLU GAYRİMENKUL	✓	✗	✗	✗	✗

Vestel Service Academy is the first training program in Turkey to receive the TS ISO 29990 Learning Services Management System certification. Vestel and Linens Customer Services operate under the ISO 10002 Customer Satisfaction Management System and the TS EN ISO 18295-1 Customer Contact Center Management System standards.

SOCIAL PERFORMANCE INDICATORS*

Breakdown of Employees by Gender and Category	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
White-collar	2,592	5,137	2,830	5,831	2,822	4,898
Blue-collar	5,966	14,555	6,086	15,117	5,841	14,404
Total	8,558	19,692	8,916	20,948	8,663	19,302

Breakdown of Employees by Age	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Under 30 years	3,414	5,952	3,413	6,325	3,418	5,804
30 to 50 years	4,993	12,838	5,293	13,340	5,016	12,300
50 years and above	151	902	210	1,283	229	1,198

Breakdown of Employees by Working Duration	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
0 to 5 years	4,878	9,070	4,953	9,683	4,853	8,870
5 to 10 years	2,498	5,260	2,580	5,398	2,274	4,833
10 years and above	1,182	5,362	1,383	5,867	1,536	5,599

Breakdown of Executives by Gender and Age	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Under 30 years	13	23	15	27	18	30
30 to 50 years	341	794	397	915	358	769
50 years and above	22	142	34	151	32	143
Total	376	959	446	1,093	408	942

Breakdown of Former Employees by Gender and Age	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Under 30 years	1,115	2,486	1,120	2,231	1,283	2,635
30 to 50 years	747	1,492	838	1,396	1,088	2,262
50 years and above	31	146	42	177	111	482
Total	1,893	4,124	2,000	3,804	2,482	5,379
Employee turnover rate	22%	21%	22%	18%	29%	28%

SOCIAL PERFORMANCE INDICATORS

Parental Leave	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Employees benefiting from parental leave	331	790	383	775	350	756

Employees with Disabilities	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Employees with disabilities	152	543	163	555	178	539

Breakdown of Training Hours by Year (Excluding OHS Trainings)	2021		2022		2023	
	Total training hours	Training hours per employee	Total training hours	Training hours per employee	Total training hours	Training hours per employee
Total training hours	245,989	8.7	340,884	11.4	293,584	10.5

Breakdown of OHS Training Hours by Year	2021		2022		2023	
	Total hours of OHS training provided to employees	Training hours per employee	Total hours of OHS training provided to employees	Training hours per employee	Total hours of OHS training provided to employees	Training hours per employee
Total hours of OHS training provided to employees	234,586	8.3	207,362	6.9	180,210	6.4

OHS Performance of Employees	2021		2022		2023	
	Injury frequency*	Incident Rate**	Injury frequency*	Incident Rate**	Injury frequency*	Incident Rate**
Injury frequency*	24.3	0,063	24.9	0,057	22.2	0,055
Incident Rate**	0,063	0	0,057	0	0,055	0
Occupational disease rate***	0	0	0	0	0	0
Number of fatal accidents	0	0	4	0	0	0

* Injury Frequency: [Number of recordable work-related injuries / Number of hours worked] x 1,000,000
 ** Incident Rate: [Total number of injuries / total number of workers in the reporting period]
 *** Occupational Disease Rate: [Total number of occupational disease cases / Total hours worked] x 1,00,000

ENVIRONMENTAL PERFORMANCE INDICATORS*

Greenhouse Gas Emissions (tons CO ₂ e)	2021	2022	2023
Scope 1	1,457,415	1,329,941	989,150
Scope 2	607,406	406,578	401,584
Scope 3	22,359,263	21,563,684	18,400,121
Total	24,424,084	23,300,203	19,790,855

Purchased Energy (MWh)	2021	2022	2023
Renewable Energy (MWh)	376,816	851,177	325,315
Wind	0	0	238
Solar	0	0	0
Hydroelectric	0	0	957
Other	376,816	851,177	324,120
Non-Renewable Energy (MWh)	18,307,492	17,136,859	2,508,684
Electricity	592,840	226,948	314,862
Coal	0	0	561,388
Natural gas	14,566,190	15,463,079	916,997
Other	3,148,462	1,446,832	715,437

ENVIRONMENTAL PERFORMANCE INDICATORS

Water Consumption (m ³)**	2021	2022	2023
Total Water Withdrawn	1,841,222,400	1,978,630,351	2,238,876,575
Surface Water	1,746,699,071	1,878,699,091	2,139,704,529
Groundwater	92,595,961	98,042,162	97,317,843
Sea Water	0	0	3,000
Third-Party Water Suppliers	1,927,368	1,336,105	1,851,203
Water Produced	0	552,993	0
Total Water Discharged	1,738,645,931	1,873,908,335	2,229,025,666
Surface Water	1,660,140,831	1,785,263,685	2,139,961,600
Groundwater	76,648,205	86,827,767	87,412,846
Sea Water	0	0	0
Third-Party Water Suppliers	1,856,895	1,816,883	1,651,220

** Water consumption data includes water withdrawn and discharged from Zorlu Enerji's Geothermal Power Plants (GPP) and Hydroelectric Power Plants (HPP). Domestic water consumption from OEDAŞ and GAZDAŞ is neglected.

Amount of Waste (tons)	2021	2022	2023	
Total Hazardous Waste	1,175,957	1,303,789	1,446,980	
Disposed	Landfilled	1,151,917	1,298,898	1,441,745
	Incinerated (with Energy Recovery)	948	1,003	972
	Incinerated (without Energy Recovery)	1,957	1,052	151
	Other	0	111	90
Recycled	Reused	6	927	45
	Recycled	21,129	1,798	3,951
	Other	0	0	26
Total Non-Hazardous Waste	136,056	133,383	129,629	
Disposed	Landfilled	15,053	28,092	3,291
	Incinerated (with Energy Recovery)	3,347	3,411	4,205
	Other	1	1	62
Recycled	Reused	10,336	8,662	5,455
	Recycled	95,162	79,681	104,293
	Other	12,157	13,536	12,323

ABBREVIATIONS

- Artificial Intelligence - AI
- Association of Telecommunication Satellite and Broadcasting Businesspeople - TUYAD
- Big Data Solutions for Open Innovation Energy Marketplace - BD4OPEM
- Bir Arada Yaşarız Education and Social Research Foundation - BAYETAV
- Bogazici University Lifelong Learning Center - BÜYEM
- Business Social Compliance Initiative - BSCI
- Capital Markets Board - CMB
- Carbon Capture and Storage - CCS
- Carbon Disclosure Project - CDP
- Committee of Sponsoring Organizations' - COSO
- Concentrated Solar Power - CSP
- Education Reform Initiative - ERI
- Electronic Devices Manufacturers Association - ECİD
- Emission Trading System - ETS
- Enterprise Risk Management - ERM
- Environmental Product Declaration - EPD
- Environmental, Social, and Governance - ESG
- Europa Norm - EN
- European Bank for Reconstruction and Development - EBRD
- European Union - EU
- European Union Corporate Sustainability Due Diligence Directive - CSDDD
- Forest Stewardship Council - FSC
- General Directorate of State Hydraulic Works - DSİ
- Geothermal Emission Control - GECCO
- Geothermal Power Plant - GPP
- Hydroelectric Power Plant - HEPP
- Integrated Planning of Multi Energy Systems - PlaMES
- International Civil Service Commission - ICSC
- International Finance Corporation - IFC
- International Labour Organization - ILO
- International Organization for Standardization - ISO
- International Renewable Energy Certificate - I-REC
- International Sustainability Standards Board - ISSB
- International Union for Conservation of Nature - IUCN
- Internet of Things - IoT
- Istanbul Technical University - İTÜ
- Joint Industrial Data Exchange Pipeline - JIDEP
- Life Cycle Assessment - LCA
- London Stock Exchange Group - LSEG
- Machine Learning - ML
- Management Trainee - MT
- Mehmet Zorlu Foundation - MZF

ABBREVIATIONS

- Mixed Hydroxide Precipitate - MHP
- National Fire Protection Association - NFPA
- Occupational Health and Safety - OHS
- Osmangazi Electricity Distribution Inc. - OEDAŞ
- Quality Document Management System - QDMS
- Republic of Türkiye Energy Market Regulatory Authority - EPDK
- S&P Global Dow Jones Sustainability Index - DJSI
- Science Based Targets Initiative - SBTi
- Skandium Hydroxide - Sc(OH)₂
- Solar Power Plants - SPP
- Supplier Engagement Rating - SER
- Sustainability Accounting Standards Board - SASB
- Sustainable Development Goals - SDG
- Sustainable Textile Production - STeP
- Sustainability Coordination Board - SCB
- Task Force on Climate-Related Disclosures - TCFD
- Technology Development Foundation of Turkey - TTGV
- The Carbon Border Adjustment Mechanism - CBAM
- The Foundation for Educating Children - TOÇEV
- The Hope Foundation for Children with Cancer - KAÇUV
- The Union of Chambers and Commodity Exchanges of Türkiye - TOBB
- The United Nations Entity for Gender Equality and the Empowerment of Women - UN Women
- The United Nations Population Fund - UNFPA
- Total Productive Management - TPM
- Trans-European Transport Network - TEN-T
- Turkey Sustainability Reporting Standards - TSRS
- Turkish Standards Institute - TSE
- Turkish Volleyball Federation - TVF
- Vehicle to Grid - V2G
- Violence Prevention and Monitoring Centers - ŞÖNİM
- Wind Power Plants - WPP
- Women Entrepreneurs Association of Türkiye - KAGİDER Equal Opportunity Model Certificate - FEM
- World Economic Forum - WEF
- World Resource Institute - WRI
- Young Guru Academy - YGA
- Zorlu Energy Solutions - ZES
- Zorlu Performing Arts Center - Zorlu PSM

REPORTING GUIDE

- **AA1000 Stakeholder Engagement Standard (AA1000SES):** A standard developed by AccountAbility that defines how organizations can effectively and meaningfully engage with their stakeholders
- **Aqueduct Water Risk Atlas:** A tool developed by the World Resource Institute (WRI) that maps water scarcity and water risk cases around the world
- **R&D:** An organization's work to develop scientific and technological innovations
- **EU Green Deal:** The comprehensive climate and sustainability strategy announced by the European Union in 2019
- **European Union Corporate Sustainability Due Diligence Directive (CSDDD):** EU directive requiring companies to assess the environmental and social impacts of their activities and the impacts on their business partners
- **Disposed Waste:** Disposal or treatment of waste by various methods (usually by methods such as collection, transportation, recycling, composting, incineration or landfilling).
- **United Nations Women's Empowerment Principles (WEPs):** A set of seven principles established by the UN to promote women's empowerment in business and society, guiding companies in achieving gender equality and supporting women's economic empowerment
- **BIST Sustainability Index:** The index created by Borsa Istanbul, which evaluates the ESG performance of enterprises and includes companies with high performance in the field of sustainability
- **COP28:** The 28th meeting of the UN's annual climate change conference COP (Conference of Parties) in 2023
- **Value Chain:** Processes encompassing all steps from the design of a product or service until it reaches the end user and the relationships among these steps
- **Disinformation:** The act of spreading misleading or false information, often deliberately, whose purpose is usually to mislead people, to create social or political influence, or to create a perception
- **Circular Economy:** An economic model that minimizes waste and encourages reuse by using resources as efficiently and effectively as possible for as long as possible
- **Industry 4.0:** The fourth industrial revolution, which emerged with the integration of digital technologies and the internet in industrial production processes
- **Leadership in Energy and Environmental Design (LEED):** International certification system where buildings are evaluated in terms of sustainability and environmentally friendly practices
- **Emission Intensity:** The amount per unit of greenhouse gas or pollutant emissions from a given activity or process
- **Task Force on Climate-related Financial Disclosures (TCFD):** International initiative providing a voluntary framework for companies to transparently report on how they manage climate change-related risks and opportunities
- **Scope 1 Emissions:** Emissions resulting from the combustion of fossil fuels in its own facilities and vehicles that are under the direct control of an organization (e.g. fuel consumption of company vehicles or emissions from natural gas used in factories)
- **Scope 2 Emissions:** Energy consumed by an organization, in particular indirect emissions from purchased energy sources such as electricity, steam, heat or cooling
- **Scope 3 Emissions:** Indirect emissions that occur throughout an organization's supply chain and product lifecycle, covering many stages from the procurement of raw materials to the use and disposal of products (e.g. emissions from the transportation of products, commuting of employees, or activities of suppliers)

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- **Carbon Disclosure Project (CDP):** An initiative launched in 2000 to collect and share information that will enable companies, investors and governments to take action against the threat of climate change
- **Decarbonization:** The process of reducing an organization's carbon emissions to zero or near zero
- **London Stock Exchange Group (LSEG):** London-based organization conducting ESG assessments through its Refinitiv subsidiary
- **Machine Learning (ML):** Development of algorithms and models that enable computer systems to learn from data and experience to improve their performance on specific tasks
- **Internet of Things (IoT):** The ability of devices or objects that can collect, process and share various data through sensors, software, data storage devices and other technologies to connect to the internet and communicate with each other
- **Automation:** Automated performance of work or production processes without any human intervention
- **Paris Agreement:** The international agreement signed in 2015 under the United Nations Framework Convention on Climate Change to limit the global temperature rise to 1.5°C and keep it below 2°C above pre-industrial levels
- **Recycled Polyester (RPET) Chips:** Polyester raw material obtained by recycling used plastic bottles and other polyester products
- **Water Intensity:** The amount of water used to produce a unit of product or service, water use efficiency
- **Supplier Evaluation Rating (SER):** A method used to evaluate and manage businesses' relationships with their suppliers
- **Turkish Sustainability Reporting Standards (TSRS):** The national standard published by the Public Oversight, Accounting and Auditing Standards Authority (POA) that companies in Türkiye must comply with in reporting their sustainability performance
- **Artificial Intelligence (AI):** Technology that enables computers to think, learn and solve problems like humans

GRI CONTENT INDEX

Statement of use	Zorlu Holding has reported in accordance with the GRI Standards for the January–December 2023 period.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	3; 2023 Zorlu Holding Annual Report p: 4, 5, 16-21
	2-2 Entities included in the organization's sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	There is no restated information.
	2-5 External assurance	For the reporting period, external audit has not been conducted.
	2-6 Activities, value chain and other business relationships	5; 2023 Zorlu Holding Annual Report p: 16-19
	2-7 Employees	50, 91, 92
	2-8 Workers who are not employees	-
	2-9 Governance structure and composition	25-28
	2-10 Nomination and selection of the highest governance body	2023 Zorlu Holding Annual Report p: 28-31

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
General Disclosures		
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	2023 Zorlu Holding Annual Report p: 28
	2-12 Role of the highest governance body in overseeing the management of impacts	16, 42
	2-13 Delegation of responsibility for managing impacts	16, 28, 30-42
	2-14 Role of the highest governance body in sustainability reporting	16
	2-15 Conflicts of interest	42, Zorlu Holding Ethical Principles
	2-16 Communication of critical concerns	16, 25-28, 42
	2-17 Collective knowledge of the highest governance body	2023 Zorlu Holding Annual Report p: 28-31
	2-18 Evaluation of the performance of the highest governance body	No evaluation is being made.
	2-19 Remuneration policies	This information is not shared because Zorlu Holding is not publicly traded.
	2-20 Process to determine remuneration	This information is not shared because Zorlu Holding is not publicly traded.
	2-21 Annual total compensation ratio	It is not being calculated.
	2-22 Statement on sustainable development strategy	11-16, 20-24
	2-23 Policy commitments	29; Zorlu Holding Human Rights Policy

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
General Disclosures		
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	29, 30, 42
	2-25 Processes to remediate negative impacts	30-41
	2-26 Mechanisms for seeking advice and raising concerns	29, 30
	2-27 Compliance with laws and regulations	28-42
	2-28 Membership associations	89
	2-29 Approach to stakeholder engagement	18
	2-30 Collective bargaining agreements	-
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20-24
	3-2 List of material topics	20, 22-24
	3-3 Management of material topics	22-24

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	29
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	29
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	80
GRI 302: Energy 2016	302-1 Energy consumption within the organization	80
	302-4 Reduction of energy consumption	80
	302-5 Reductions in energy requirements of products and services	80
Water and Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	82

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Water and Effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	82
	303-3 Water withdrawal	14
	303-4 Water discharge	94
	303-5 Water consumption	94
Biodiversity		
GRI 304: Biodiversity 2016	3-3 Management of material topics	86
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	86-87
	304-2 Significant impacts of activities, products and services on biodiversity	86-87
	304-3 Habitats protected or restored	86-87

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	78-79
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	78, 93
	305-2 Energy indirect (Scope 2) GHG emissions	78, 93
	305-3 Other indirect (Scope 3) GHG emissions	78, 93
	305-4 GHG emissions intensity	78, 93
	305-5 Reduction of GHG emissions	78
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	82-85

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	82-83
	306-2 Management of significant waste-related impacts	82-85
	306-3 Waste generated	82, 94
	306-4 Waste diverted from disposal	82, 94
	306-5 Waste directed to disposal	82, 94
Supplier Environmental Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	62-63
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	62-63

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	49-61
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	91
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	57-58
	401-3 Parental leave	92
Labor Management Relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	49
GRI 402: Labor Management Relations 2016	402-1 Minimum notice periods regarding operational changes	We comply with legal notice periods in case of critical operational changes.

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	61
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	61
	403-2 Hazard identification, risk assessment, and incident investigation	61
	403-5 Worker training on occupational health and safety	61
	403-6 Promotion of worker health	61
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61
	403-9 Work-related injuries	92
	403-10 Work-related ill health	92

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	56-58
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	56
	404-2 Programs for upgrading employee skills and transition assistance programs	57-58
	404-3 Percentage of employees receiving regular performance and career development reviews	56
Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	50-54
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	27, 50, 91

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE NO, SOURCE AND/OR DIRECT ANSWERS
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	64
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	64-73
Supplier Social Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	62-63
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	62-63