

2021

ZORLU HOLDING SUSTAINABILITY REPORT

Together
We Have A Future



Smart Life
 ZORLU 2030

* Illustrated by
Eren Boz for Zorlu Holding
Sustainability Report.

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About the Report

At Zorlu Holding, we transparently share our environmental, social and corporate governance (ESG) performance with all our stakeholders through our annual Sustainability Report.

Drawn up in accordance with the “**Core**” category of the **GRI Standards**, the report encompasses the Smart Life 2030 strategy, our sustainability priorities and our performance in this context. The report, through which we share our contributions to the Sustainable Development Goals, also covers **the Communication on Progress under the United Nations Global Compact (UNGC)**.

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

Scope

To cover all our operations with significant impact, this report is based on the consolidated data of Zorlu Holding A.Ş., Korteks Mensucat Sanayi ve Tic. A.Ş., Zorluteks Tekstil Ticaret ve Sanayi A.Ş., Vestel Elektronik Sanayi ve Ticaret A.Ş., Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş., Zorlu Energy Group’s operations in Turkey, Meta Nikel Kobalt A.Ş., Zorlu Gayrimenkul Geliştirme ve Yatırım A.Ş., Zorlu Yapı Yatırım A.Ş. and Zorlu Performing Arts Center between **January 1, 2021 and December 31, 2021**.

Throughout the report, **Zorlu Textiles Group** refers to Korteks Mensucat Sanayi ve Tic. A.Ş. and Zorluteks Tekstil Ticaret ve Sanayi A.Ş.; **Vestel Group** refers to Vestel Elektronik Sanayi ve Ticaret A.Ş. and Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.; **Zorlu Real Estate** refers to Zorlu Gayrimenkul Geliştirme ve Yatırım A.Ş., Zorlu Yapı Yatırım A.Ş. and Zorlu Performing Arts Center; and **Meta Nikel** refers to Meta Nikel Kobalt A.Ş.

Sustainability at Zorlu Holding at a Glance

1953

Founded by Mehmet Zorlu with the establishment of **Zorlu Mensucat Denizli, Zorlu Holding** starts its activities in the textile sector.

1976

Korteks Velvet Weaving Plant is established in Bursa and in approximately 10 years begins the first export sales of textile products.

1989

Korteks Yarn Factory opens.

1990

Korteks Polyester Yarn Factory begins production as Europe's largest integrated polyester yarn manufacturer and exporter.

1993

Established to meet the electricity and steam needs of Zorlu Group's industrial enterprises, **Zorlu Enerji** today stands out as a company that is listed in the **Borsa Istanbul (BIST) Sustainability Index** and invests in domestic and renewable energy.

1994

Vestel Elektronik, which joined Zorlu Group, and **Vestel Beyaz Eşya** founded in 1997 meet the expectations of customers with innovative products and solutions, and are listed on the **BIST Sustainability Index** thanks to their high sustainability performance.

1999

Mehmet Zorlu Foundation is established.

2006

Zorlu Real Estate is established.

2007

Meta Nikel Kobalt Madencilik, which started its activities in 2000, joins Zorlu Group. The company carries out new generation mining activities based on R&D, embracing innovation and sustainability, and without compromising its environmentally sensitive production philosophy.

Zorlu Holding makes commitments by signing the **United Nations Global Compact**, which is based on 10 principles on human rights, labor standards, environment and anti-corruption.

2009

Zorlu Holding publishes its first **Global Compact Progress Report** covering the 2007-2009 period.

2011

Jhimpir Wind Power Plant in Pakistan begins generation.

2012

Zorlu Faktoring commences its operations.

2013

Zorlu Center, the construction of which began in 2008 as Turkey's first mixed-use project, opens as a shopping and performing arts center.

2015

Zorlu Holding signs the **United Nations Women's Empowerment Principles**, institutionalizing its support for empowering women in the society, business, and the economy.

Vestel Elektronik is included in the **BIST Sustainability Index** for the November 2015 - October 2016 period.

2016

Vestel Beyaz Eşya and **Zorlu Enerji** voluntarily join **Borsa Istanbul's Sustainability Index** for the November 2016 - October 2017 period.

Sartepe and Demirciler Wind Power Plants (WPPs) become operational.

2017

The Smart Life 2030 sustainability strategy is developed.

Vestel Beyaz Eşya becomes the first company in Turkey to receive the **"Water Footprint Verification"** certificate in the industry.

Zorlu Solar becomes the only authorized distributor of the US-based First Solar across 26 countries.

2018

Zorluteks received the highest score from **Business Social Compliance Initiative (BSCI)** for its performance in sustainable working conditions.

2019

Zorlu Holding becomes a signatory to the **Business Plastic Initiative (IPG)**.

Vestel Beyaz Eşya expands its brand license agreement with **Sharp Corporation** to include smart products.

Zorlu Tekstil opens seven new stores in six countries.

Zorlu Enerji signs a contract to sell its 100% stake in **Zorlu Rüzgar Enerjisi Elektrik Üretimi A.Ş.**, which includes **Sartepe** and **Demirciler WPPs** in its portfolio.

With the **"No Barriers at Zorlu"** project Zorlu Center wins the **Albert Sussman International Community Support Award**, the most prestigious accolade awarded by ICSC (International Civil Service Commission), a subsidiary of the **United Nations**.

2020

Zorlu Energy Solutions expands its electric vehicle charging station network to 81 cities thanks to its investments.

Zorlu Enerji becomes a signatory to 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 **Turkey's first TL-denominated green bond** with an international sustainability rating.

Zorlu Tekstil completes the **STeP | Sustainable Textile Production** certification process in its factories and starts production with the **"Made in Green"** label used along with Standard 100 by Oeko-Tex and STeP by Oeko-Tex documents.

Established under the investments in circular economy, the **Polymer Recycling Plant** breaks new ground in Europe and Turkey by manufacturing polyester yarn completely out of plastic bottles.

Zorluteks certifies the energy it uses within the scope of its cooperation with **Zorlu Enerji with the International Renewable Energy Certificate (I-REC)**.

2021

Zorlu Holding's sustainability targets are updated as part of the **Smart Life 2030** strategy.

With its **Renewable Energy Commitment Letter**, **Zorlu Enerji** aims to increase the share of renewable energy in total electricity generation to 100% by 2030 and to further diversify and develop its renewable energy portfolio.

Vestel Elektronik, **Vestel Beyaz Eşya** and **Zorlu Tekstil** sign the **United Nations Global Compact**.

Korteks becomes the first polyester yarn company in the world to be awarded **Environmental Product Declarations (EPD)** certificates after completing **Life Cycle Assessment (LCA)** studies in 4 different product categories.

Zorlu Center and **Levent 199** certify the energy they use within the scope of their cooperation with **Zorlu Enerji with the International Renewable Energy Certificate (I-REC)**.

Vestel Elektronik is included in the **BIST Sustainability Index** for six years, **Vestel Beyaz Eşya** and **Zorlu Enerji** for five years.


Zorlu Enerji has set a target of investing **TL 10 million by 2030** to protect and improve biodiversity.



Environmental, Social, Governance (ESG) Performance in 2021

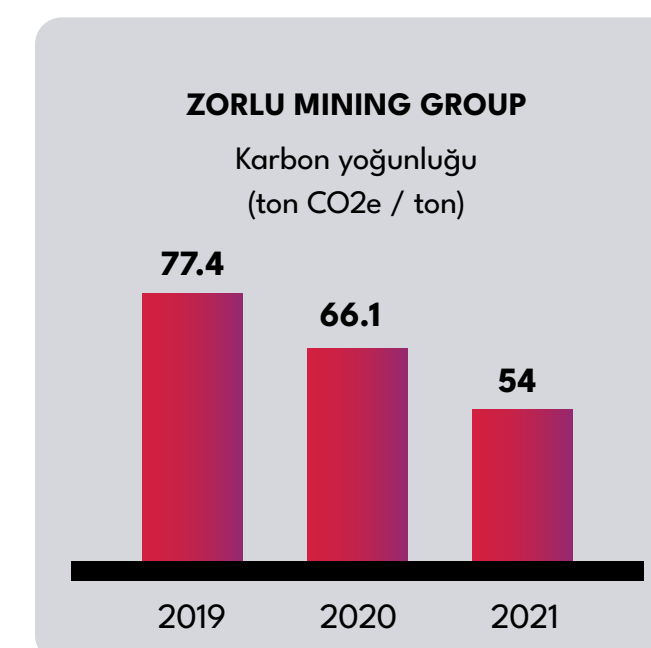
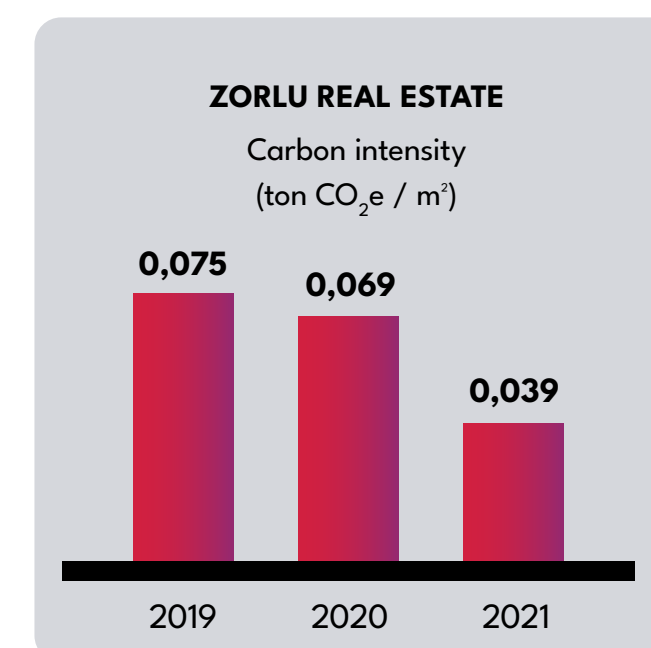
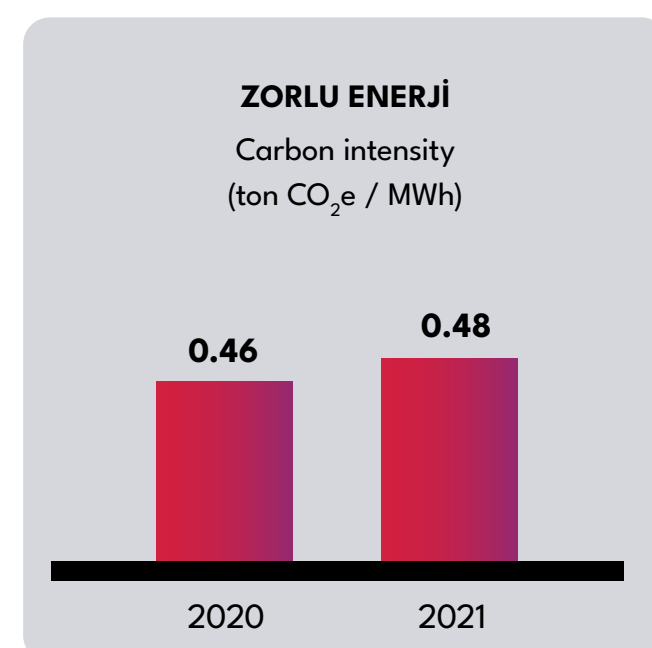
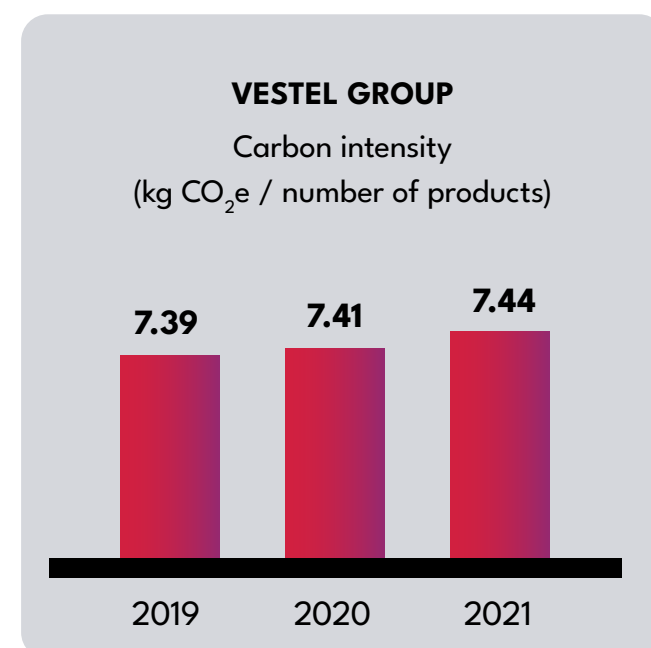
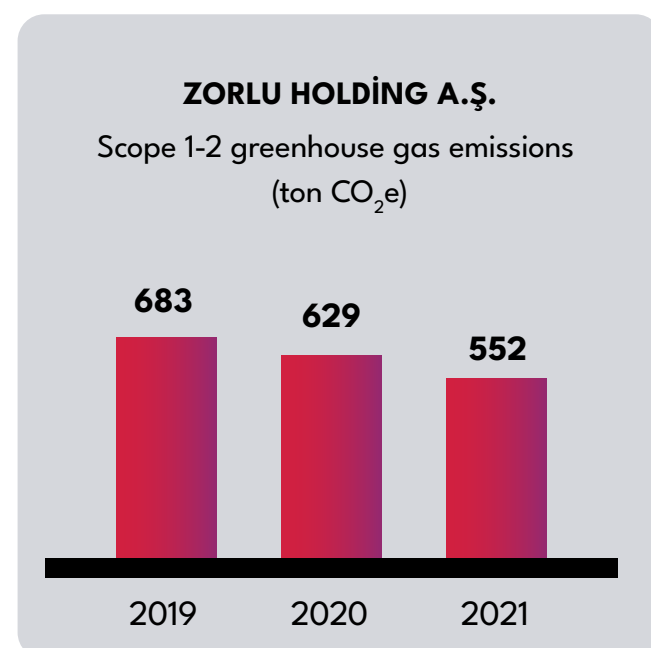
Environmental, Social, Governance (ESG) Performance in 2021

Regenerative Business Models


| Target | Company | KPI | 2021 Performance | Progress ¹ |
|---|----------------------|--|------------------|-----------------------|
|  <p>NET ZERO EMISSIONS IN SCOPE 1-2 BY 2030 AND ACROSS THE ENTIRE VALUE CHAIN (SCOPE 1-2-3) BY 2050.</p> | Zorlu Holding A.Ş. | Absolute emission values (ton CO ₂ e) | 552 | »»» |
| | Vestel Group | Carbon intensity (kg CO ₂ e/number of products) | 7.44 | ■ |
| | Zorlu Enerji | Carbon intensity (ton CO ₂ e/MWh) | 0.48 | ■ |
| | Zorlu Textiles Group | Carbon intensity (kg CO ₂ e/ton) | 1.9 | »»» |
| | Korteks | Carbon intensity (kg CO ₂ e/ton) | 1,044 | »»» |
| | Zorlu Real Estate | Carbon intensity (ton CO ₂ e/m ²) | 0,039 | »»» |
| | Meta Nikel | Carbon intensity (kg CO ₂ e/ton) | 54 | »»» |

¹
»»» : Indicates progress towards the goal.

■ : Indicates inadequate performance or lack of progress towards the goal.



Regenerative Business Models

| Target | Company | KPI | 2021 Performance | Progress |
|---|----------------------|---|--------------------|----------|
|  <p>REDUCING WASTE BY 50% BY 2030 AND REACHING ZERO WASTE BY 2050</p> | Zorlu Holding A.Ş. | Amount of waste sent to landfill (tons) | 10.5 | »»» |
| | Vestel Group | | 84 ² | ■ |
| | Zorlu Enerji | | 11,544 | »»» |
| | Zorlu Textiles Group | | 2,129 | »»» |
| | Korteks | | 21 | ■ |
| | Zorlu Real Estate | | 3,348 ³ | ■ |
| | Meta Nikel | | 1,151,823 | »»» |

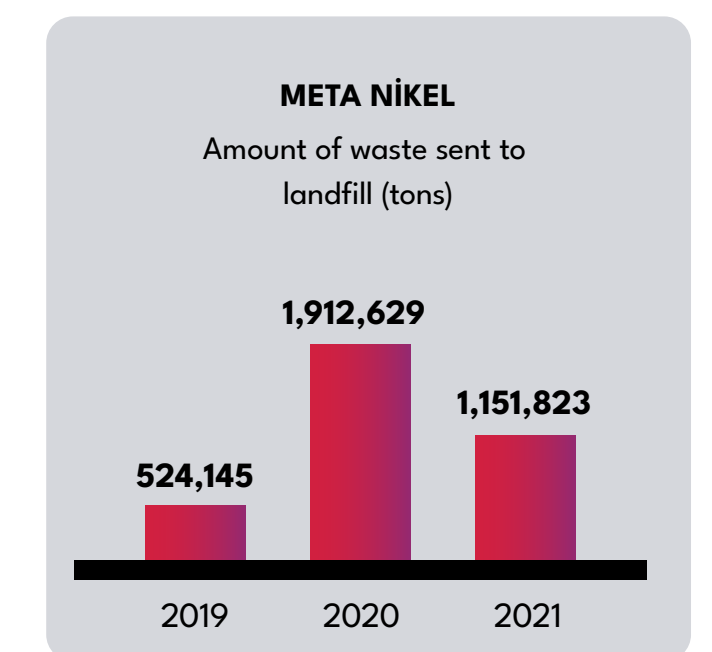
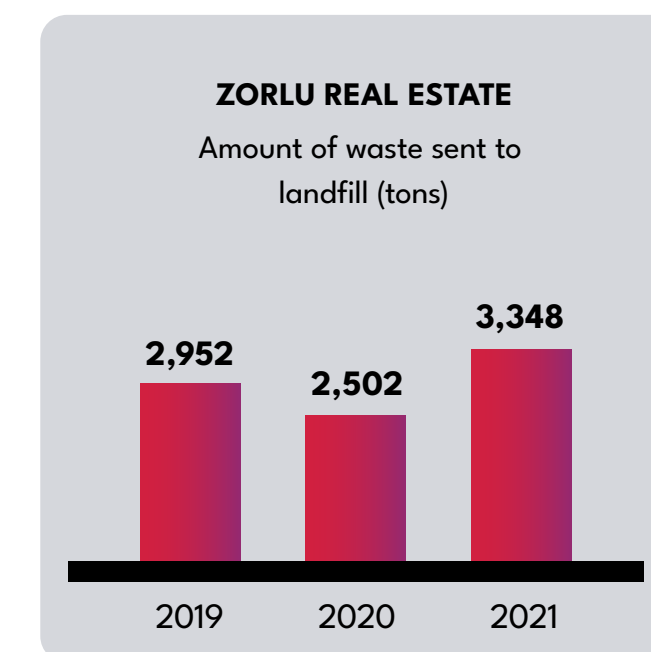
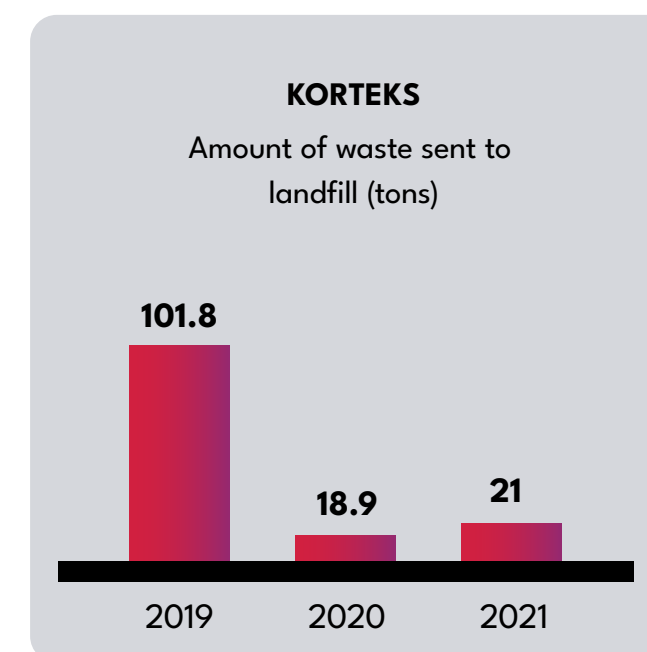
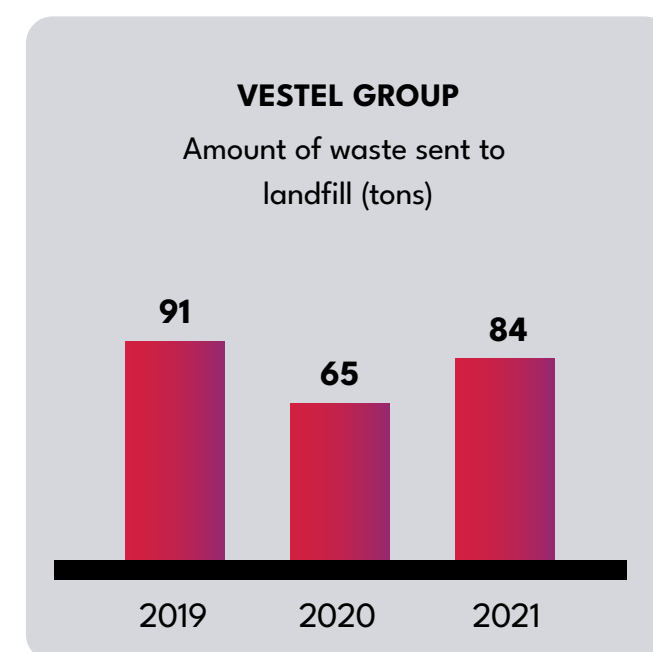
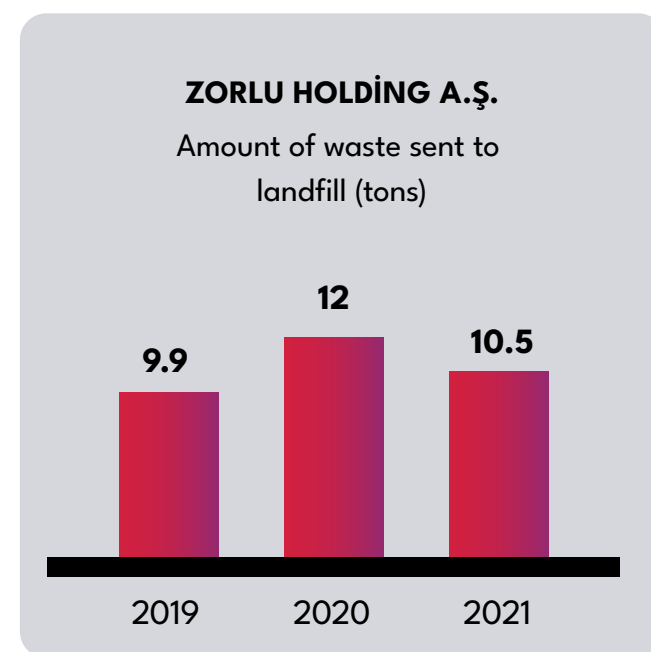


2

Due to the increase in production quantities in 2021 after the pandemic, the amount of waste sent to the landfill has increased. Efforts to reduce the amount of waste per unit product are ongoing.

3

The increase in the amount of waste at Zorlu Real Estate is caused by rubble waste generated as a result of maintenance work carried out due to the aging of the buildings. Work is ongoing to tackle how rubble waste can be disposed of without transfer to landfill.

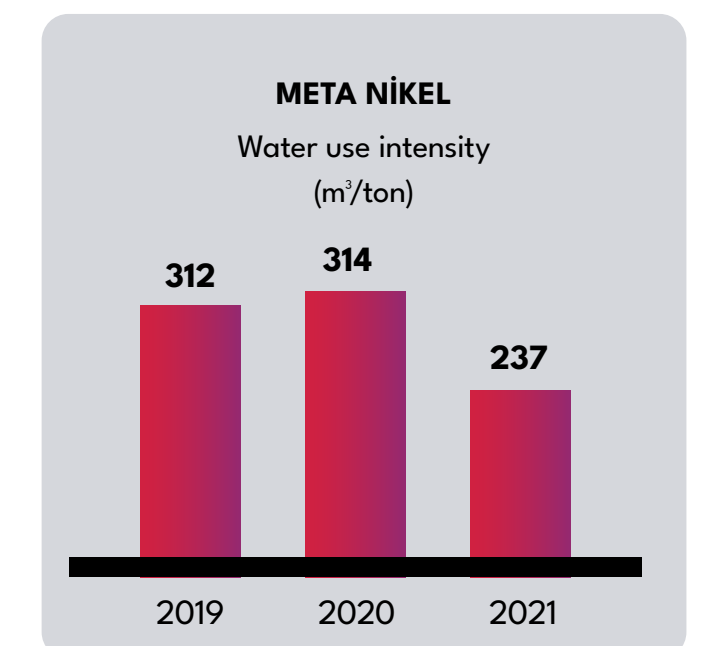
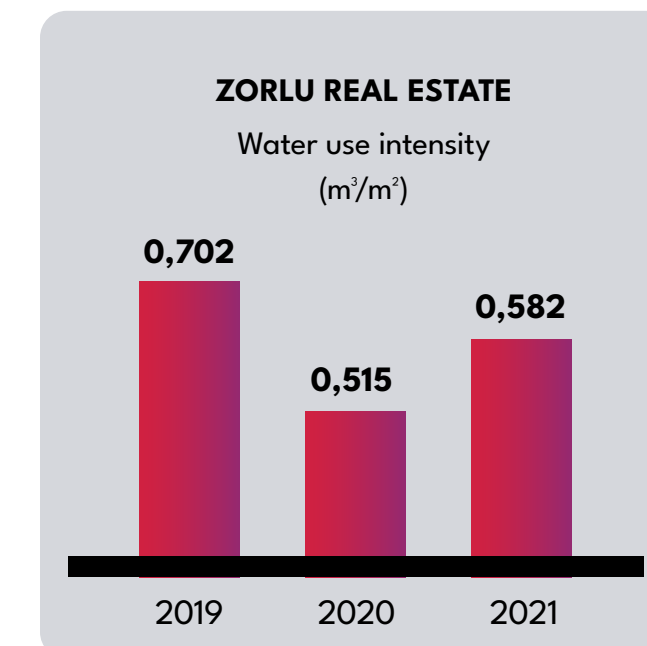
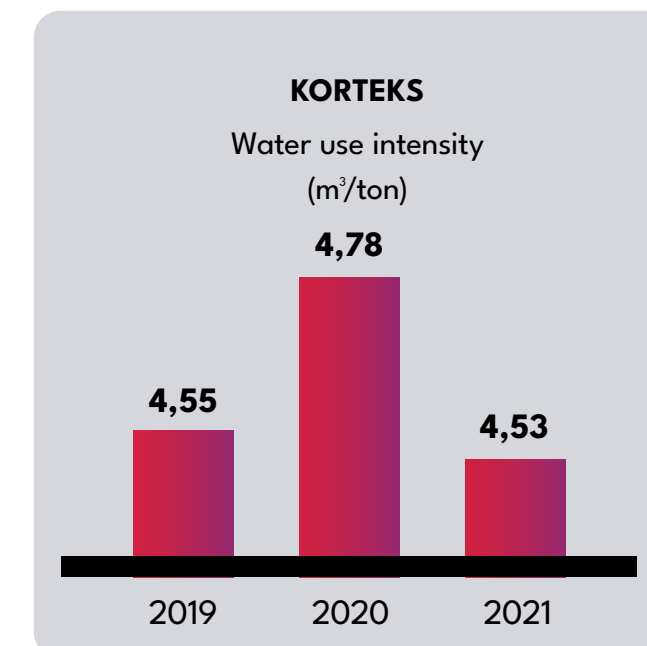
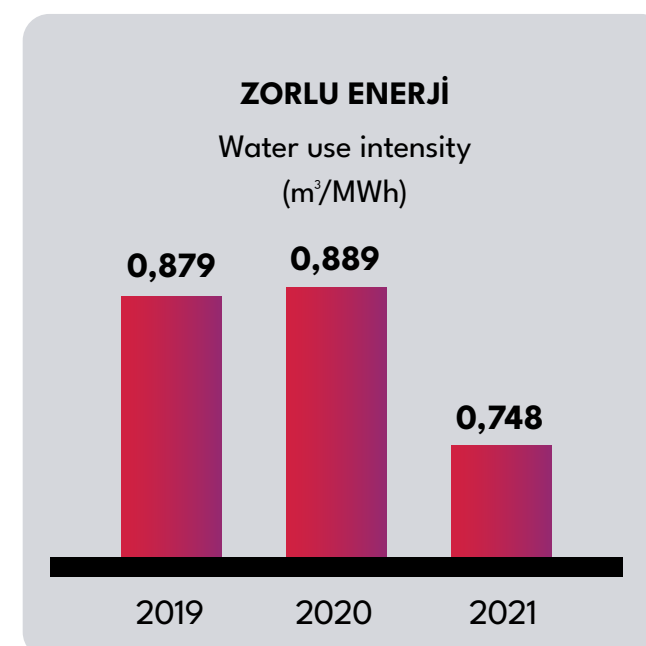
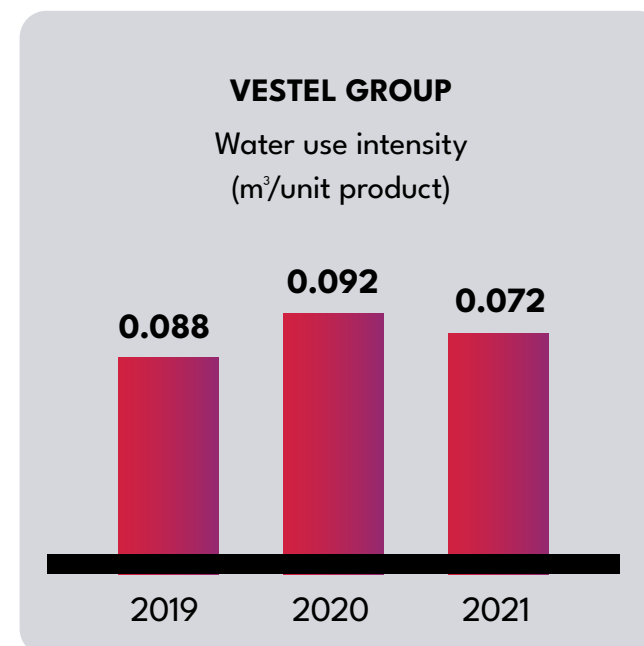
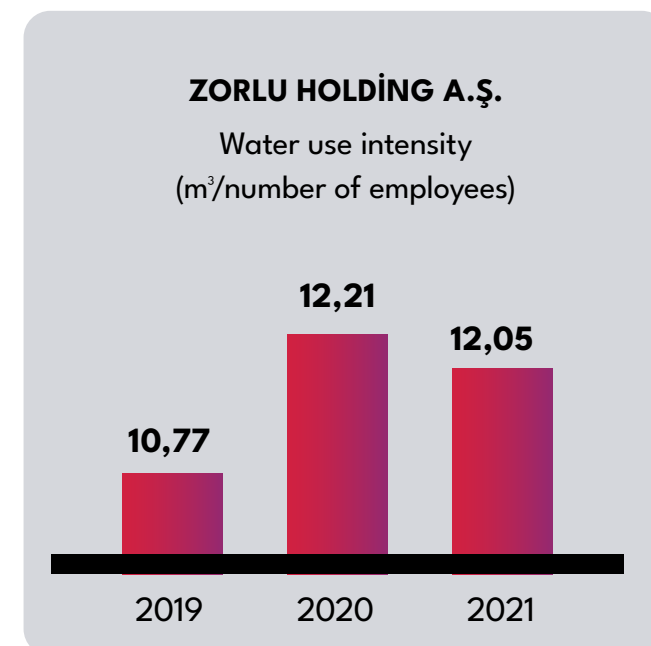


Regenerative Business Models

| Target | Company | KPI ⁴ | 2021 Performance | Progress |
|--|----------------------|---|------------------|----------|
| <p>RECOVERING 50% OF THE WATER USED BY 2030 AND ALL OF IT BY 2050</p> | Zorlu Holding A.Ş. | Water use intensity (m ³ /number of employees) | 12.05 | ■ |
| | Vestel Group | Water use intensity (m ³ /number of products) | 0,072 | »» |
| | Zorlu Enerji | Water use intensity (m ³ /MWh) | 0,748 | »» |
| | Zorlu Textiles Group | Water use intensity (m ³ /ton) | 61.1 | »» |
| | Korteks | Water use intensity (m ³ /ton) | 4.53 | »» |
| | Zorlu Real Estate | Water use intensity (m ³ /m ²) | 0,582 | ■ |
| | Meta Nikel | Water use intensity (m ³ /ton) | 237 | »» |

4

Since efforts to recycle water are still ongoing across Zorlu Group, the intensity of water use is currently monitored. When calculating intensity, total water withdrawal (m³) is divided into meaningful and interpretable indicators for each sector. The number of products produced for Vestel, the amount of products produced (tons) for the Textiles and Mining Groups, the amount of energy produced (MWh) for Zorlu Enerji, the total area used for Zorlu Real Estate and the number of employees of Zorlu Holding A.Ş. are taken into account in the density calculations.

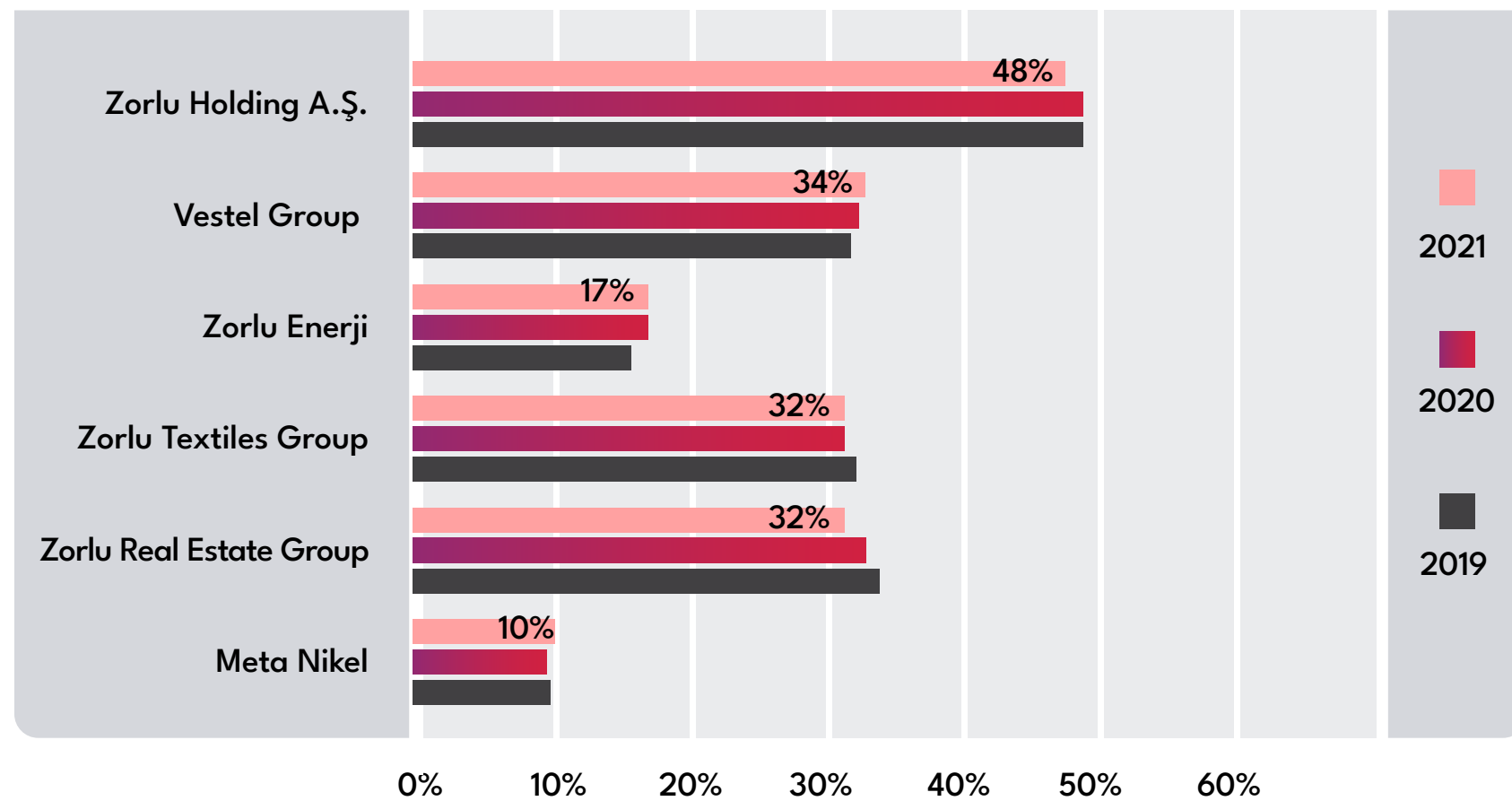


Human-Oriented Ecosystems

| Target | Company | KPI ⁴ | 2021 Performance | Progress |
|--|-------------------------|-------------------------------|------------------|----------|
|  <p>INVESTING IN THE FUTURE OF WORK AND LEADING THE CHANGE IN INCLUSION AND DIVERSITY</p> <p>BECOME AN EMPLOYER OF CHOICE IN ALL SECTORS</p> | Zorlu Holding A.Ş. | Ratio of female employees (%) | 48% | ■ |
| | Vestel Group | | 34% | »» |
| | Zorlu Enerji | | 17% | »» |
| | Zorlu Textiles Group | | 32% | ■ |
| | Zorlu Real Estate Group | | 32% | ■ |
| | Meta Nickel | | 10% | ■ |
| | Zorlu Holding A.Ş. | Employee Engagement Score (%) | 56% | »» |
| | Vestel Group | | »» | |
| | Zorlu Enerji | | »» | |
| | Zorlu Textiles Group | | »» | |
| | Zorlu Real Estate Group | | ■ | |
| | Meta Nickel | | - ⁵ | |

5 Since the engagement study at Meta Nickel was first conducted in 2021, progress will be shared in the future.

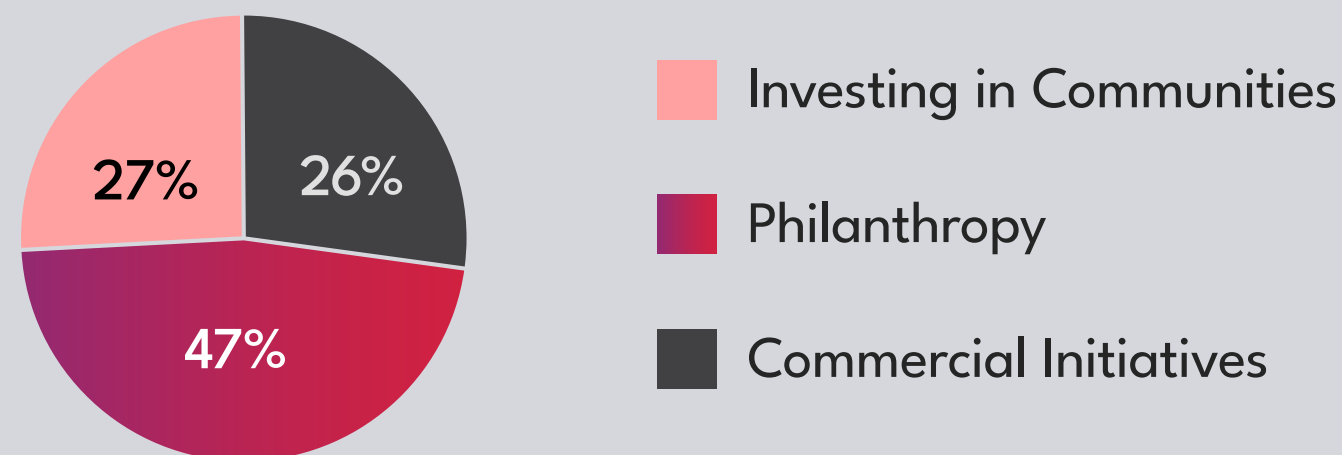
Ratio of Female Employees



Human-Oriented Ecosystems

| Target | Progress |
|---|---|
| <p>ACHIEVING A 100% SUSTAINABLE SUPPLY CHAIN BY 2030 (PRIMARILY STRATEGIC SUPPLIERS)</p> | <ul style="list-style-type: none"> We published the Zorlu Holding Procurement Principles, with which we expect the entire Zorlu Group and suppliers to fully comply with. Group companies reviewed and identified the strategic suppliers. Audit and control mechanisms are being designed to increase traceability and sustainability in the supply chain. |

Support type of Zorlu Group's social investments (By budget allocated)*



Human-Oriented Ecosystems

| Target | Company | KPI | Progress |
|--|---|---|------------------|
| <p>PIONEERING IN SOCIAL INVESTMENTS AND ALLOCATE 1% OF ZORLU HOLDING'S EBITDA EVERY YEAR TO SUSTAINABLE DEVELOPMENT GOALS</p> | Zorlu Holding (Consolidated) ⁶ | Ratio of EBITDA allocated to social investments | 2021: 0,7% »» |

* Investing in

Communities: Community investments; focusing social issues as part of the company's long-term strategy, usually in collaboration with stakeholders

Commercial Initiatives: Community investments; usually implemented by the company's marketing departments, primarily aiming business development and increasing the company's visibility and reputation.

Philanthropy: Donations; not in line with the company's main social investment strategy, usually made in response to requests made by needy institutions, employees, or in emergencies.

⁶ Zorlu PSM cost budget not included.



Message from the CEO and CFO

Message from the CEO



Ömer Yüngül
CEO

Pandemic-related developments continued to affect the economy, although not as much as the previous year.

ESTEEMED STAKEHOLDERS,

2021 was a year in which we saw the first signs of recovery from the COVID-19 pandemic thanks to widespread vaccination. However, the different variants that emerged throughout the year and the periodic increases in the number of cases in some countries showed that it is too early to speak of a lasting recovery. As a reflection of this situation, pandemic-related developments continued to affect the economy, although not as much as in the previous year.

In 2021, economies recovered rapidly from the high rate of contraction experienced globally in 2020, and the global economy grew by 5.9%. Despite this recovery, uncertainty in controlling the pandemic, together with the threat of new variants remained imminent throughout the year. This environment of uncertainty, ongoing problems in global supply chains, the chip crisis and the rise in energy prices were the factors that put pressure on the global economy, especially in the last quarter of the year.

Under these conditions, Turkey's economy grew by 11% in 2021, the highest growth rate among G-20, OECD and EU countries. While exports, which increased by 32.9% year on year, made a significant contribution to growth, favorable developments in domestic consumption also supported it. With the steps to be taken within the scope of the EU Green Deal in the coming period, these positive developments in our exports can be carried further and a sustainable export growth can be achieved.

The global inflation inherited from 2021 and the resulting monetary tightening, supply chain issues, rising energy prices and geopolitical

risks lead to a relatively weak growth outlook for the global economy in 2022. While growth forecasts are gradually lowered in the projections, the fact that the Russia-Ukraine war, the Fed's aggressive interest rate hike and the energy crisis are being discussed at the highest level shows that the possibility of recession in 2022 is also on the table as a significant risk. Moreover, as a result of the rapid increase in energy and food prices, we foresee that we will have to face a very important global issue in 2022, namely disruption in the distribution of income in the world and a rapid increase in the poverty rate of households, especially in low-income countries.

With our flexible and agile management approach and high adaptability, we increased our EBITDA to TL 10.2 billion

As Zorlu Holding, despite the challenging conditions created by the global pandemic, we managed to increase our consolidated turnover by 48% year-on-year to TL 52.5 billion and our EBITDA to TL 10.2 billion in 2021 thanks to our flexible and agile management approach and high adaptability capacity.

With the volatile conditions in the global economy and the ongoing effects of the pandemic, 2021 has been a year in which sustainability-focused collaborations have become increasingly

prominent. Both the messages and decisions taken at the United Nations Climate Change Conference (COP26) and the preparations made under the European Green Deal show that all stakeholders are now more willing to take action for a carbon-free world.

The stakeholder-based approach, which is especially prominent in tackling the climate crisis, gives us hope for a better future when we consider that we are pushing and even exceeding the limits of our planet every day. In line with this approach, the design of a future where business models are reshaped, a transparent, open and inclusive governance is practiced, and environmental and social issues are the most decisive elements of our lives and ways of doing business presents an opportunity for a sustainable life for the whole world.

Harnessing the life-enhancing power of technology and digitalization much more effectively in this process of change and transformation is critical to achieving significant acceleration on the path to the Sustainable Development Goals (SDGs). When we bring people and nature together for a more sustainable life in harmony with technology, we can move much faster in solving today's key global challenges, especially the climate crisis.

To this end, while investing in innovative business models and technologies, our focus today must be on equipping human resources with skills that meet the requirements of the new generation and green economy with a human and nature-based approach. The greatest responsibility in this historic turning point

We renewed our Smart Life 2030 strategy, which we devised based on stakeholder-based transformation and the guidance of SDGs.

of our planet is undoubtedly placed on companies, which are the driving force of social and economic life.

As Zorlu Holding, in 2021, we renewed our Smart Life 2030 strategy, which we devised based on stakeholder-based transformation and the guidance of **SDGs**. Through a “**responsible investment holding**” approach we have adopted for an equal, inclusive, fair and smart future, we manage our non-financial assets such as human resources, innovation and environmental capital by investing in human-oriented ecosystems and regenerative business models. Driven by radical collaborations, we continue to respond to complex and multi-layered global challenges through multi-stakeholder structures.

Within the scope of human-oriented ecosystems, we first and foremost focus on stakeholder priorities in our value chain. With this mentality, we work to create shared value in the areas of employee satisfaction, future of work, inclusive value chain and

social investment. Through regenerative business models, we create work that will transform the ecosystem in the areas of climate crisis and circular economy. In this context, through our companies, we continue to carry out pioneering work in Turkey in sustainability-oriented areas ranging from renewable energy to sustainable and smart textiles, from smart electronics and household goods to chargers and battery systems for electric vehicles.

We have internalized sustainability as a way of life and doing business.

As a group that has internalized sustainability as a way of living and doing business, we are pleased to share with you our sustainability report in which we describe our ESG-oriented activities in line with our Smart Life 2030 strategy. We would like to thank all our stakeholders who walk with us on our long-term journey for a more sustainable life.

Sincerely,

Ömer Yüngül
CEO

Zorlu Holding A.Ş.

Message from the CFO



With the impact of the pandemic, a common opinion has emerged on the necessity of a stakeholder-based transformation.

Bekir Cem Köksal

CFO and Member of the Sustainability Committee

ESTEEMED STAKEHOLDERS,

With the impact of the pandemic, a common opinion has emerged on the necessity of a stakeholder-based transformation in the world as of 2020, while the United Nations (UN) Climate Change Conference held in 2021 with the theme “Uniting the World to Tackle Climate Change” was an important sign that this understanding is becoming more and more mainstream. While the conference reaffirmed existing goals, it was noteworthy that two key issues not explicitly mentioned in UN resolutions were on the agenda this year. The adoption of a meeting provision calling for a phased reduction of coal power and the elimination of subsidies for “inefficient” fossil fuel were also critical in reinforcing the decarbonization commitment.

Although the pandemic and war-related risks facing the world today have focused us on the energy and food crisis, we should not ignore the different issues that the climate crisis will create in the long term. The fact that the risk of climate action plan failure is among the top five risks in the Global Risk Report published by the World Economic Forum (WEF) confirms how important this issue is. It is important to note that other risks in the top five, such as extreme weather events, loss of biodiversity, social cohesion and livelihood challenges, are also risks that are linked to or could be exacerbated by the climate crisis. In this respect, it is of great importance to address the risks in social issues, which have deepened even more with the pandemic, from a holistic perspective with a focus on ESG in order to produce sustainable solutions.

Addressing social risks with a focus on ESG is important for producing sustainable solutions.

If we want to solve global issues, especially the climate crisis, we must stop leading our lives with the current methods of production and economic structure. Today, we must realize that a collaborative transformation with business models that reduce the ecological footprint and support the planet's biological capacity is not a choice but a necessity. In this journey, we should not forget that we have very important forces at our disposal such as technology, innovation and digitalization.

If we use our power in the right way, it can play an accelerating role in improving the life of the planet, nature and all living beings. If we increase investments in big data, digital applications, R&D and, above all, in developing the skills and competencies of human resources, we can reverse the current course of the climate crisis.

It is not easy to scale up a multidimensional issue like climate and produce an integrated solution. This is why the private sector needs to work together and collaborate more than ever to create new climate-based value chains and industrial ecosystems. If we

want to move to a net zero economy today, we need to build a very strong integrated innovation network and infrastructure. At this point, an approach centered on human-oriented ecosystems and regenerative business models can encourage the business world to come up with solutions that create sustainable value.

We can increase productivity much further by developing competencies compatible with new technologies.

Although we have important levers such as technology, innovation and digitalization in this sustainability-oriented transformation, humans must be at the center of this process due to the need for their cognitive skills. For this reason, the need for new competencies will increase even more in the coming period. Although today, business models move forward with Industry 4.0 technologies, studies predict that more than one billion people will need to acquire new competencies by 2030.⁷ Indeed, the investments to be made in this direction will definitely pay off economically and socially. Some reports estimate that large-scale investments in competence and skills development have the potential to increase global GDP by USD 6.5 trillion and create 5.3 million new jobs by 2030.⁸ This shows us that by developing competencies compatible with new technologies, we can increase productivity much further

and thus ensure the sustainability of the economy. Thus, we must further strengthen investments to equip the next generation and our existing human resources with the skills and competencies of the future.

While developing competencies and skills is critical for a sustainable future, we need to recognize that we cannot create real change and transformation without eliminating inequalities. In this respect, gender equality stands out as one of the most critical issues we need to focus on for sustainable development. However, it is estimated that 160 million women may need to change jobs by 2030 due to developments in technology, digitalization and automation. Today, the steps that all institutions, especially the business world, will take in cooperation to remove all obstacles women face in the social and economic fields will contribute to a more sustainable future and a robust social structure, while contributing to a stronger and more prosperous society economically.

Studies have predicted that even if gender inequalities are reduced by 2025, there will be an increase of 12 trillion dollars in global GDP.⁹

As Zorlu Holding, we continued to contribute to this global change and transformation in 2021 with the activities we carried out in line with our Smart Life 2030 strategy. We worked to achieve the sustainability goals we set with a responsible investment holding approach through processes and practices managed specifically for our Group companies. With ESG-related activities, our Group companies have become the

Real transformation is not possible without eliminating inequalities.

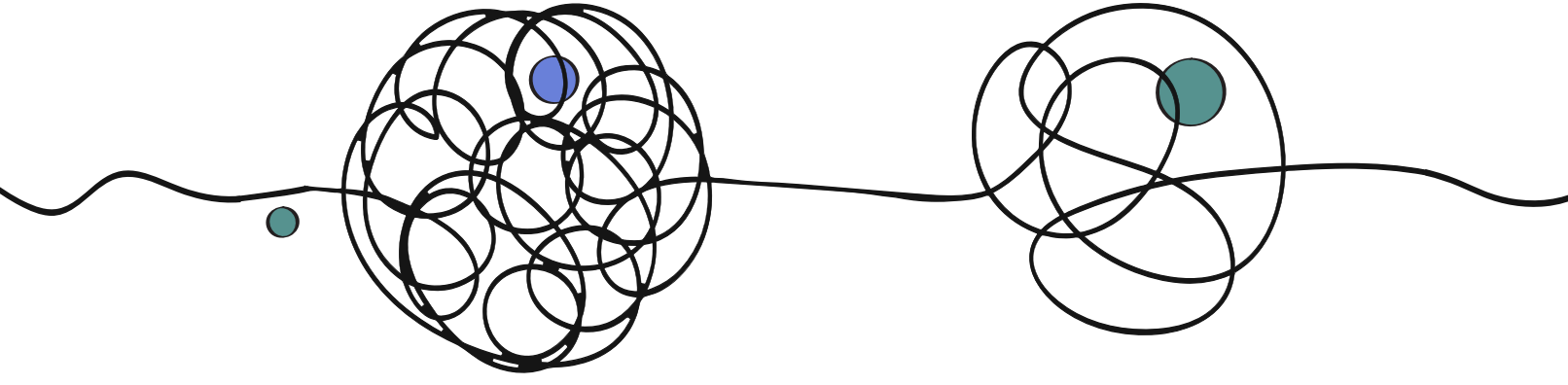
pioneers in our country and in the world of new generation businesses that will ensure sustainable growth by offering smart and sustainable products and solutions for a better future.

With the stakeholder-based approach we adopted, we continued to expand our sphere of influence by creating value for all our stakeholders, especially our human resources. While developing our innovation-based, inclusive corporate culture, we continued to implement projects led by our human resources to utilize their talents and competencies and achieve continuous development. By completing the second cycle of our intrapreneurship program, **Parlak Bi'Fikir (A Bright Idea)**, we created new start-ups within Zorlu Group and further reinforced the culture of innovation. We continued to improve our efforts in the field of gender equality with the practices we implemented in line with our **Eşit Bi'Hayat (An Equal Life) Manifesto**. While developing a business culture that embraces equal opportunities, we will organize gender equality trainings for nearly 33,000 Zorlu Group employees by the end of 2022.

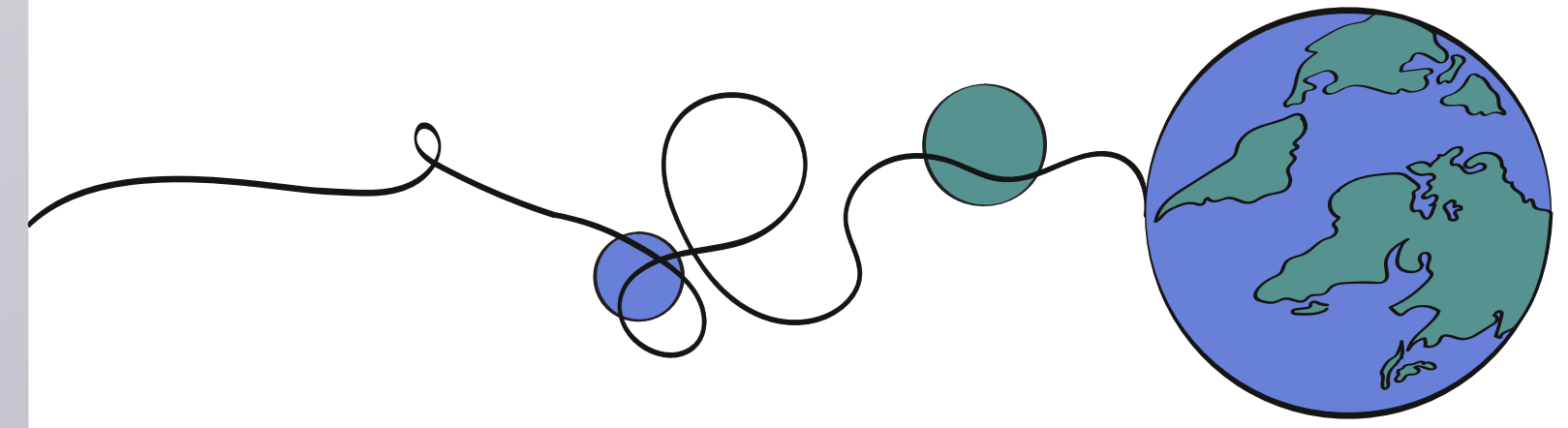
⁷ World Economic Forum (WEF), 2021

⁸ Upskilling for Shared Prosperity Insight Report, WEF in collaboration with PwC, 2021

⁹ Women in the Workplace, McKinsey, 2021



With our regenerative business models, we aim to achieve net zero emissions in Scope 1-2 by 2030 and across the entire value chain by 2050.



We continued to expand our impact by expanding our corporate volunteering program, **Kıvılcıklar (Sparks) Movement**, with the cooperation of our stakeholders. In the third year of the Smart Life Academy's 24-hour **"Sustainability 101"** training, which we launched in cooperation with **Boğaziçi University Lifelong Learning Center (BÜYEM)** for the ESG-focused development of our human resources, we continued our efforts with determination. Through **The Mehmet Zorlu Foundation**, we continued to support quality education, contributing to equipping young people, who are our future, with the competencies of the 21st century. We have started our efforts to make our teachers, who prepare the new generation for the future, a part of this education network. We continued our support for **imece**, the social innovation platform that we co-founded and supported its first internal program to pave the way for sustainable and innovative solutions to global issues. With **the imece summit** hosted by Zorlu Holding, we brought together hundreds of

local and international pioneers known for their impact-oriented work in various sectors such as business world, civil society, academia, public and entrepreneurship ecosystem.

As Zorlu Holding, we will further expand our sphere of influence with the steps we will take together with our Group companies to achieve the goals we set in line with our Smart Life 2030 strategy, which we updated in 2021. In this context, with our regenerative business models, we aim to achieve net zero emissions in Scope 1-2 by 2030 and across the entire value chain by 2050. We aim to reduce our waste by 50% by 2030 and reach zero waste by 2050. Our goal is to recover 50% of the water used by 2030 and 100% by 2050. By building a value-creating ecosystem, we will work hard to create a 100% sustainable supply chain for all of our critical suppliers by 2030. With the human-oriented ecosystems we will establish, we will strive to increase our social impact day by day by allocating 1% of our

EBITDA to activities that contribute to the United Nations Sustainable Development Goals, which guide us on this journey, until 2030.

We would like to thank all our stakeholders, especially our employees and business partners, who have been with us on this journey we have set out on for a sustainable life, and we are happy to share the sustainability report we have prepared for 2021 in accordance with our principles of transparency and accountability.

Sincerely,

Bekir Cem Köksal
CFO and Member of the Sustainability Committee



Smart Life 2030

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

Human-Oriented

- › Employee happiness
- › Future of work
- › Inclusive value chain
- › Community investments

Regenerative Business Models

- › Combating the climate crisis
- › Circular design

RADICAL COLLABORATIONS

INTEGRATED MANAGEMENT APPROACH

- › Enterprise Risk Management
- › Integrated Value Creation

Smart Life
ZORLU 2030

Smart Life 2030

Many scholars and policymakers largely agree on the **5 key criteria** that will influence the economy of the future. The growth in digital technologies, the importance of sustainability, especially in the context of the climate crisis, the role of changing demographics, the complexity of geopolitics and the inevitability of structural change all point to a radical transformation facing the global economy.¹⁰ While the COVID-19 pandemic and its accompanying effects are slowly subsiding, the conflict in Ukraine continues to disrupt the global balance. Looking at the effects of the pandemic on public health and the economy, it has become clear that our resilience against global risks is low. Deepening global risks have made it clear that we need to take more stringent measures against the risks of the climate crisis. In the short term, geopolitical conflicts and inflation are the top global risks, followed by supply chain disruptions, volatile energy prices and rising interest rates.¹¹ **According to the Global Risk Report published by the WEF, the top three of the top 10 global risks in terms of severity over the next 10 years are recognized as environmental risks.**¹² The report highlights that governments, businesses and societies are facing increasing pressure to transition to a net-zero economy.

As the opportunities that the private sector can seize for the future of business and the world increase, the concept of “**Stakeholder Capitalism**” goes beyond a profit-oriented approach and offers solutions to global challenges, allowing companies to seek long-term value creation by taking into account the needs of all stakeholders and society at large.

10

The Future of Finance and The Global Economy, IMF, 2021

11

The Coronavirus Effect on Global Economic Sentiment, McKinsey, 2022

12

Global Risks Report 2022, Dünya Ekonomik Forumu (WEF), 2022

Involving the board of directors in the process, setting and monitoring environmental targets, working for the development of all suppliers, focusing on long-term benefits while meeting the needs of consumers, and respecting employees and investing in their future, all guide companies in achieving stakeholder engagement.¹³

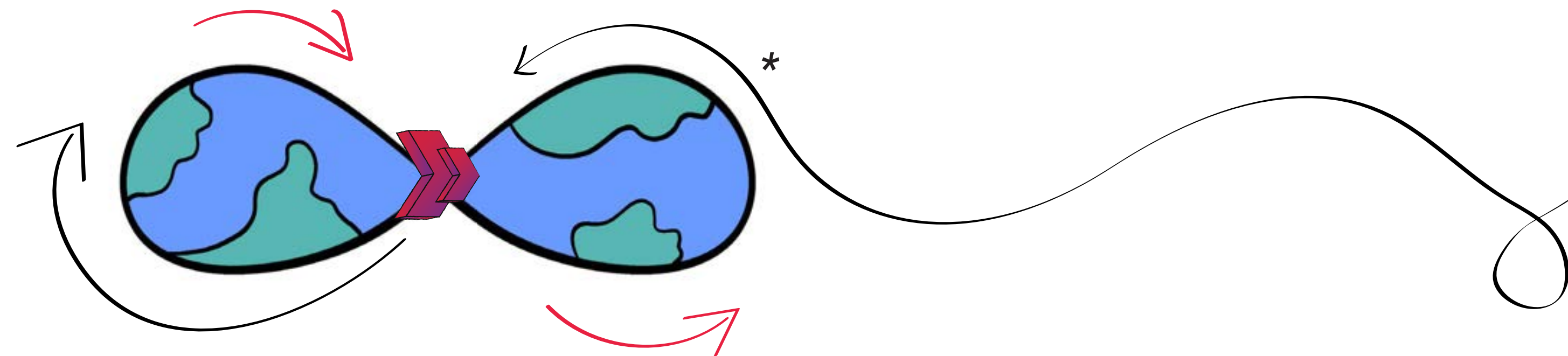
While the private sector has begun to systematically manage the non-financial issues affecting their balance sheets in the medium and long run, 82% of investors pay more attention to non-financial issues affecting companies' balance sheets in the medium and long term in relation to their investment decisions.¹⁴ Socially responsible companies produce superior financial results, as responsible investments ensure longer-term ESG-based viability and resilience in the face of global risks. While interest in ESG issues regarding access to capital and finance has increased, the total assets in the field of sustainable investment have exceeded USD 35 billion today.¹⁵ The worsening global energy crisis represents a significant opportunity for investors looking to build long-term income with a purpose.

In a post-pandemic world, ESG investments that accelerate as the global energy crisis continues to deepen, green recovery and independent energy packages announced by governments are creating great opportunities for transition to a low carbon economy. In line with the **United Nations Climate Change Conference (COP26)** held in November

2021, the commitment to be carbon neutral by 2050 and to keep global warming below +1.5°C was reaffirmed.

Expectations from the private sector are increasing for the transition to responsible and innovative business models that can create shared value with a focus on people, environment and business. Guided by the Smart Life 2030 strategy, we respond to the risks and opportunities introduced by global trends and make our business, human resources, society, business partners, customers and suppliers more resilient and adaptable to change. While we increase our capacity to create value for all our stakeholders with our strategy based on the principle of responsible investment holding, we are positioned as a stakeholder for the solution of global issues by utilizing the power of technology and innovation.

Consisting of **“human-oriented ecosystems”** and **“regenerative business models”**, the Smart Life 2030 is supported by an integrated management approach encompassing corporate governance and risk management. Moving beyond conventional corporate partnerships, the facilitators enabling us to implement our strategy are radical collaborations and innovation aiming to strengthen individuals and the ecosystem in Turkey for environmental and social improvement.



¹³ Stakeholder Capitalism Report, McKinsey, 2021

¹⁴ 2021 Annual ESG Manager Survey: The red flag is raised on climate risk, Russell Investments, 2021

¹⁵ Sustainable investing will become a norm. Here's how, Dünya Ekonomik Forumu (WEF), 2022

Radical Collaborations and Disruptive Innovation

To address social and environmental issues, companies need to strengthen their collaboration with both the government and other organizations. Radical collaborations are needed to address the most pressing challenges, including the COVID-19 pandemic, global inequality and the climate crisis. By supporting each other through sustainability initiatives, the private sector, civil society organizations and public institutions can make innovative and collective progress towards a net zero economy. **“Radical collaborations to tackle the climate crisis”** was an important theme of COP26. Radical collaboration is also accelerating with the **European Green Deal**, a series of policy initiatives by the European Commission aiming to make Europe climate neutral by 2050, and the climate crisis action plan.

The **World Economic Forum (WEF)** presented a set of shared metrics with members of the International Business Council that create sustainable value in terms of people, planet, prosperity and governance. These metrics provide benchmarks for companies to measure their progress, guide future collaborations and encourage needed collective action. Collaborations facilitate companies’ transition from a focus on short-term financial performance to long-term value creation.¹⁶ These developments have also changed the way companies view their stakeholders and highlighted the opportunities for positive change offered by stakeholder capitalism.

The COVID-19 pandemic has accelerated the transition to a digital world. The rapid spread of digital technologies is creating solutions to the growing problems of globalization. Global collaboration allows technology to be used for the good of society and the environment. Strengthening our shared prosperity, accelerating the green transition and boosting growth are made easier through digitalization and technology. Innovation policies help build an inclusive, sustainable, competitive and resilient economy.

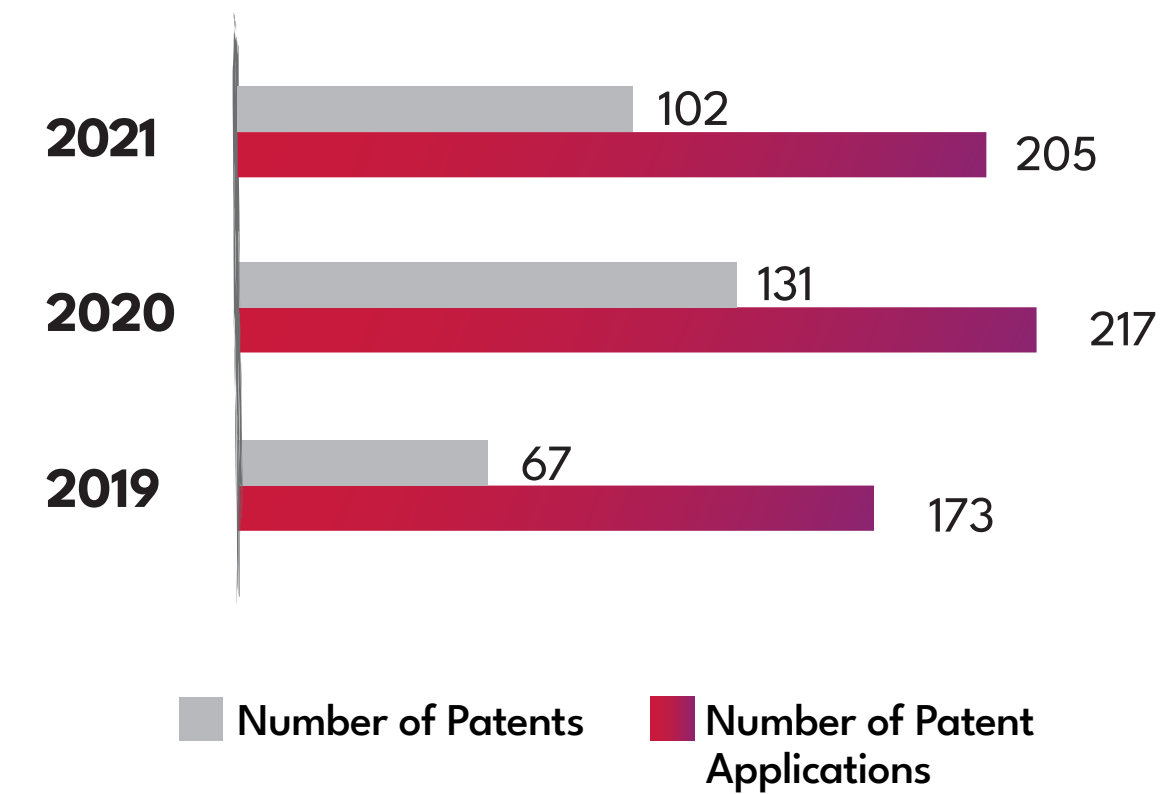
Technologies such as Industry 4.0, cloud technologies, big data, internet of things and artificial intelligence are rapidly developing and becoming mainstream. Driving the pace of digital and disruptive technologies while promoting a **circular economy approach** creates long-term value through risk management.

As Zorlu Holding, we are a stakeholder in the industry that creates solutions to global issues. The radical collaborations we have established to develop a business model with a focus on people and in harmony with nature are equipped with a strong and functional structure. Acting as levers in the Smart Life 2030 strategy, these collaborations offer a versatile environment for our Group companies to achieve their goals. Through these collaborations, we aim to respond to multi-layered global challenges through multi-stakeholder structures. We empower the startups we support or invest in to take a radical path and become capable of creating value on their own.

In 2021, the budget we allocated to R&D exceeded TL 500 million. Compared to the previous year, revenue from patents increased by 25%, reaching TL 50 million.

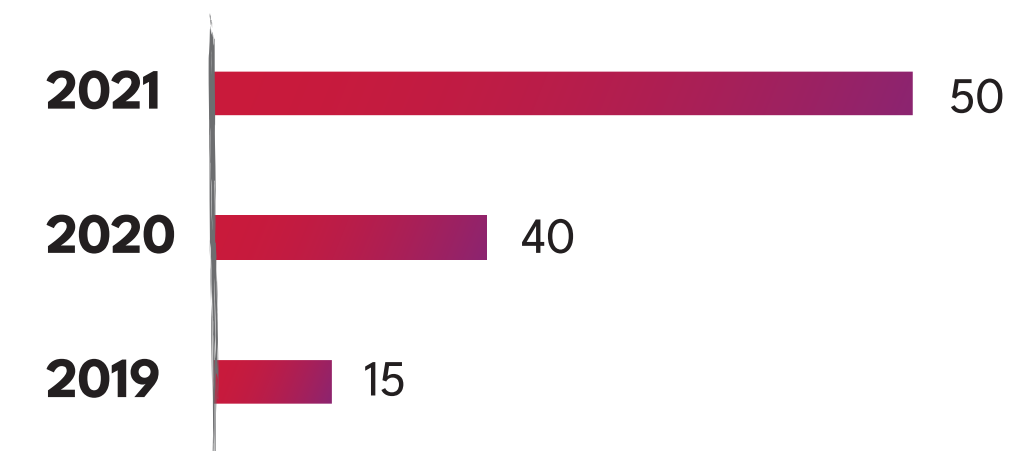
In 2021, the budget we allocated to R&D exceeded TL 500 million. Compared to the previous year, revenue from patents increased by 25%, reaching TL 50 million.

Number of Patents*



* Includes data of Vestel Group of Companies.

Revenue from Patents (TL million)



16 How radical collaboration could save the day - and the planet, EY

Innovation and Industry 4.0 Transformation at Zorlu Group

ZORLU ENERJİ

Zorlu Enerji continues its efforts to reduce greenhouse gas emissions from geothermal energy with the **GECO** (Geothermal Emission Control) project. With the project, which was implemented to reduce carbon emissions in geothermal fields to zero with the motto of “**A sustainable future depends on leaving no trace in our environment**”, the aim is to reduce the carbon footprint and increase the share of green energy to 100%.

Zorlu Enerji, which received support from the European Union’s **Horizon 2020** program with the project called GeoSmart, continues to work on storing geothermal fluid in liquid and vapor phase at Kizildere Geothermal Power Plants, examining the effects of **CSP** (concentrated solar power) and **Biomass** technologies on plant performance, which can be integrated into geothermal power plants, and reducing re-injection temperatures.

With the **Integrated Planning of Multi Energy Systems** (PlaMES) project, Zorlu Enerji aims to create the low-carbon market of the future and design a new planning tool for the

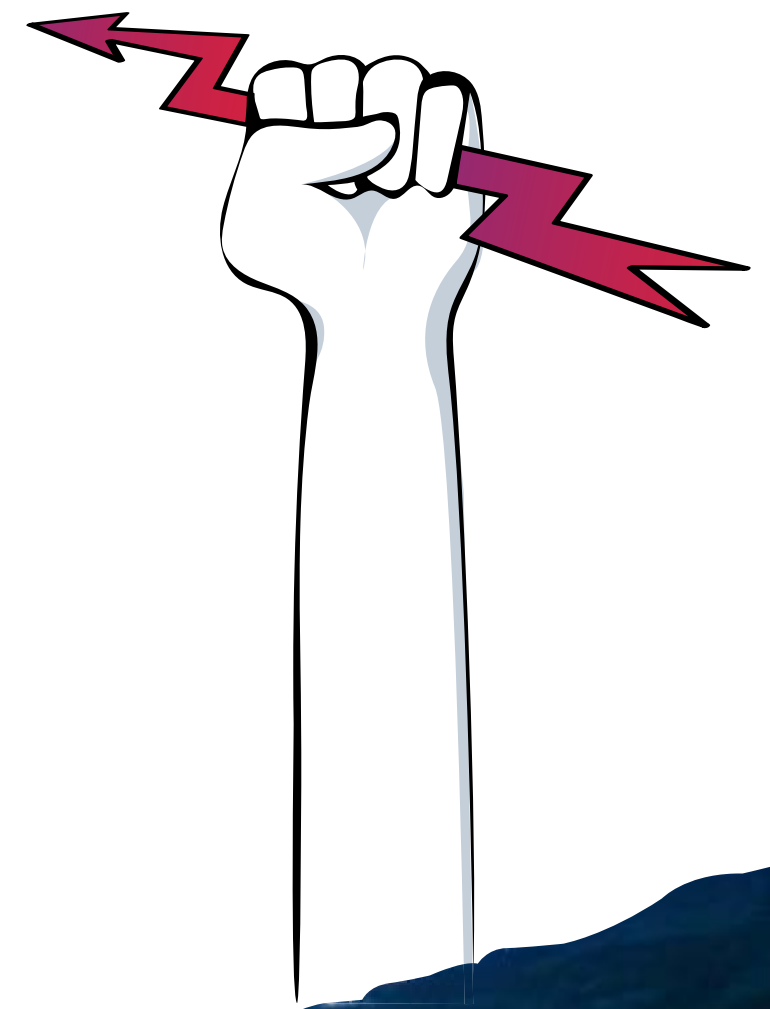
long run. The project aims to reduce the carbon footprint of generation and storage systems, as well as transmission and distribution networks, by addressing them in an integrated manner during planning and operation. The project outputs include the development of tools to ensure that existing and planned generation and distribution infrastructures meet current and evolving energy demand at the most efficient level, and create flexibility. **The Big Data Solutions for Open Energy Marketplace** (BD4OPEM) project, which aims to efficiently integrate digital technologies into the energy sector, seeks to minimize the impact of changes in energy production and consumption profiles on the grid as a result of the introduction of new technologies into our lives.

Another R&D project of Zorlu Enerji, **GeoPro** aims to expand the use of geothermal energy, a renewable energy source, in order to build a low-carbon and climate-resilient future.

Zorlu Enerji’s R&D and Smart Systems Unit was awarded a total of TL 5.7 million in support from EMRA (Energy Market Regulatory

Authority of Turkey) for the projects “**Investigating the Impact of Charging Stations and Electric Vehicles on the Grid and Optimizing Such Loads**” and “**Testing Lithium Ion-Based Energy Storage Systems for Load Shifting**”.

The solutions that the company plans to develop aim to increase grid security to the highest level by reducing grid load through smart algorithms along with the widespread use of electric vehicles. Zorlu Enerji is also one of the partners of the **eCharge4Drivers** project launched in Europe with the same purpose, with its network of electric vehicle charging stations and electrip, an hourly electric vehicle rental platform, Zorlu Enerji aims to overcome the difficulties in finding suitable charging options for electric vehicles, whose sales are increasing rapidly across Europe, and to improve the charging experience.



VESTEL GROUP

Vestel continues to work at Vestel City, one of the largest single-location production facilities in Europe, built on an area of 1.3 million m².

At Vestel City, the center of the Industry 4.0 transformation process, all processes from raw material arrival to order delivery are monitored end-to-end digitally via a smart recognition system. At Vestel Elektronik, digital transformation teams consisting of expert engineers are working on artificial intelligence software, Internet of Things (IoT) technologies, smart automation, automated guided vehicles (AGV) and autonomous mobile robots (AMR) for horizontal-vertical value chain integration. We also focus on Total Productive Maintenance (TPM) efforts to achieve operational excellence in production.

Vestel Beyaz Eşya is positioned at the forefront of all sectors in the world with approximately **200 robots with six or more axes per over 9,400 employees**. In 2021, Vestel Beyaz Eşya maintained its leading position in the white goods sector and across all sectors in terms of installing and commissioning robotic cells, and continues to use flawless production techniques by boosting the robot-machine-human interaction day by day.

In recent years, Vestel has been focusing on smart devices, smart homes, smart cities and building revenue-sharing based business models around them. It collaborates with technology companies such as Amazon, Google and Innit to bring smart products to consumers and integrates its products into the **Smart Home** concept. Accelerating its work on data security and analysis with its activities to create a big data platform in 2021, Vestel aims to develop an ecosystem that can serve all connected products and work in harmony with current technologies and voice assistants.

Having experienced a major transformation and increased its effectiveness in the automotive sector with its electric vehicle batteries and its partnership in the **TOGG national automobile project**, Vestel positions itself as the solution partner of corporate customers with the electric vehicle chargers it produces, while continuing to work to meet the needs and expectations of consumers. In 2021, **it reduced approximately 81,000 tons of CO₂e** with the electric vehicle chargers it sold (compared to the use of gasoline internal combustion engines). In addition to the electric vehicle chargers it offers to the market, Vestel has completed R&D studies on DC charging units that enable fast charging, and is also working on software for the management of charging points. Vestel offers long-term, sustainable business models to the projects of major

In 2021, Vestel reduced approximately 81,000 tons of CO₂e with the electric vehicle chargers it sold (compared to the use of gasoline internal combustion engines).

bicycle manufacturers of future models at the design stage, by adding electric bicycle batteries to its new business lines. **Vestel Designs** and manufactures Li-ion batteries in line with customer needs with its Battery Management System (BYS) hardware and software, developed thanks to its R&D activities. It has developed and started the production of the first domestic electric bicycle battery.

ZORLU TEXTILES GROUP

Korteks aims to develop three-dimensional warp knitted fabrics made from a combination of recycled yarns with bio-based content and designed for the comfort and durability required in automotive seats. Due to the continued growth potential of the automotive sector and the intense global competition, these efforts are of great importance both to meet market expectations and to comply with legal obligations related to the sector.

With the **RECLAIM** (RE-manufaCturing and Refurbishment LARge Industrial equipMent) project supported within the framework of Horizon 2020, **Zorlu Tekstil** contributes to reducing the total carbon burden of its factory by preventing unnecessary use of resources. The project aims to extend the life of machinery, equipment and materials and reduce the use of resources.

Sustainability Management

At Zorlu Group, sustainability is embraced across the Group, from senior management to employees. The **Sustainability Committee** is responsible for the sustainability strategy, long-term goals and performance monitoring. In addition to five Board Members, the Committee also includes two senior executives, the CEO and CFO. The Committee, chaired by an Independent Board Member, meets every month and takes decisions based on the agenda set by the **Sustainability Coordination Board**.

The Sustainability Coordination Board (SKK) is responsible for implementing Zorlu Group's sustainability strategy and long-term goals, ensuring sustainability-based coordination at the Group level within the framework of these strategies, supporting the sustainability activities of Group companies and monitoring their progress. Established under the leadership of Zorlu Holding's General Directorate of Corporate Communications and Sustainability and reporting directly to the Sustainability Committee, the SKK consists of 13 members in total, including Zorlu Holding's **Assistant General Manager**

of Internal Audit and Ethics, Assistant General Manager of Corporate Communications and Sustainability, Chief Human Resources Officer, Chief Strategy and Business Development Officer, Procurement Manager, Sustainability Officers and sustainability coordinators of all Group companies. The Board meets four times a year.

If SKK expects financial and non-financial support at the Holding level to improve the sustainability performance of companies, it submits its requests to the Sustainability Committee. When a decision needs to be taken at the Holding level at the Sustainability Coordination Board, the issue is brought to the **Sustainability Committee** or the **Committee Chairman** with an agenda to be presented. The Sustainability Committee is responsible for making high-level decisions.

A Board may be established if deemed necessary and for a period of time to be determined. The chair and members of these groups are determined by the **Sustainability Coordination Board**.



Dialogue with Stakeholders

In addition to our employees, the opinions of our external stakeholders play an important role in the strategic decisions we take for Zorlu Holding. Based on the principle of creating value for all our stakeholders, we establish regular and bilateral communication with people, institutions and organizations, especially our key stakeholders, and integrate their views into the value creation process. By taking part in different international platforms, we follow global developments closely and come together with industry stakeholders and relevant organizations to be a part of the solution.

We are a signatory to the **United Nations' Global Compact** and **Women's Empowerment Principles** and part of the **Turkish Business Plastics Initiative**. Please see the [Annexes](#) for the list of our memberships.

We consult our stakeholders to determine the material issues we will focus on, and we regularly conduct stakeholder analyses. Through these analyses, we identify our stakeholders' expectations and see how they evaluate our ESG performance. We have identified our material issues based on the most recent stakeholder analysis we conducted in accordance with the **AA1000 Stakeholder Engagement Standard** in 2019.

| Stakeholders | Communication Method |
|---|---|
| Employees and Group companies | Messages from leaders |
| | Messages for internal communication |
| | Media communication |
| | Digital media channels |
| | Internal and external reports, meetings, trainings |
| | Digital announcement platforms inside buildings/production facilities |
| | Sustainability report |
| Suppliers | Digital media channels |
| | Sustainability report |
| Public institutions and local governments | Media communication |
| | Digital media channels |
| | Sustainability report |
| National and international regulatory bodies | Media communication |
| | Digital media channels |
| | Sustainability report |

| Stakeholders | Project partnerships |
|--|--------------------------------------|
| Civil society organizations | Media communication |
| | Digital media channels |
| | Sustainability report |
| Academia, institutes and research centers | Project partnerships |
| | Media communication |
| | Digital media channels |
| Media | Sustainability report |
| | Project partnerships, collaborations |
| | Media communication |
| Shareholders | Digital media channels |
| | Press conferences and other meetings |
| | Sustainability report |

Strategic Priorities and Sustainable Development Goals



MATERIAL ISSUES

- 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 focus and customer satisfaction
- 11 Entrepreneurship and intrapreneurship
- 12 Employee satisfaction and loyalty
- 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 supply
- 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

In identifying material issues, we consulted internal stakeholders including employees, and external stakeholders who have a direct and indirect impact on our business. We conducted this process, in which we consulted stakeholders on their expectations in the field of sustainability, in cooperation with an independent consulting company in accordance with the AA1000 Stakeholder Engagement Standard. We reached out to the stakeholders we mapped and prioritized through an online questionnaire and had a 30% response rate. Stakeholder feedback contributed significantly to the materiality analysis. We last updated the analysis in 2019 and plan to revisit it in 2023.

When analyzing the importance of the issues for Zorlu Holding,

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

When prioritizing issues for stakeholders,

- We conducted a comprehensive field analysis and consulted different stakeholder groups.
- With an external trend analysis, we included the determining 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 Global Risks Report, Presidential Strategy Document and SASB sector annexes.


The extremely important material issues identified in the materiality analysis are consistent with the main themes of our Smart Life 2030 sustainability strategy. We see the material issues as a significant tool in creating our strategic approach. **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 issues.




Digital transformation and R&D and innovation are consistent with our goal to embrace innovation as part of our corporate culture and to make society's dreams come true. To inspire our employees and to empower them with passion, we make sure to provide a workplace

that offers equal opportunities for all. To this end, it is critical to invest in talent management, ensure gender equality and promote employee volunteering. Furthermore, we safeguard occupational health and safety to create and maintain a safe workplace.

We believe that financial efficiency is one of the most important prerequisites for creating shared value as a profitable company. As we pursue our long-term objectives with determination, we believe that financial sustainability is key to creating shared value. We take responsibility for the environmental impact of our performance. We care for the ecosystem as a whole, and we pay attention to climate change and carbon management to reduce our environmental impact as we grow.



| Extremely Important Material Issues | SDGs We Contribute To | How Do We Manage Them? |
|--------------------------------------|--|---|
| <p>R&D and Innovation</p> | <p> Article 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"> › In 2021, the budget we allocated to R&D exceeded TL 500 million. Compared to the previous year, revenue from patents increased by 25% to TL 50 million. › While positioning itself as a solution partner for corporate customers with its electric vehicle chargers, Vestel continues to work to meet the needs and expectations of consumers. In 2021, Vestel reduced approximately 81 tons of CO₂e with the electric vehicle chargers it sold (compared to the use of gasoline internal combustion engines). |
| <p>Financial Efficiency</p> | <p> Article 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"> › Energy savings of 7,444 MWh were achieved across the Group, resulting in annual financial savings of TL 5.5 million. › As a result of the innovation activities carried out regarding the processes, Vestel Elektronik saved TL 183 million, equivalent to 1% of the cost of goods sold in 2021. |
| <p>Digital Transformation</p> | <p> Article 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"> › Vestel Elektronik's digital transformation teams, consisting of expert engineers, work on artificial intelligence software, IoT technologies, smart automation, AGV and AMR for horizontal-vertical value chain integration. › With the Digital Subscription Services Project, consumers who receive retail electricity and gas services from Zorlu Enerji can easily perform distance subscription transactions through all transaction channels (customer service centers, e-government, online transactions, call center). Thanks to the implementation of digital subscription services, significant gains are achieved in the fight against the climate crisis by saving paper, water and fuel. |

| Extremely Important Material Issues | SDGs We Contribute To | How Do We Manage Them? |
|--|---|--|
| <p>Climate Change and Carbon Management</p> |  <p>Article 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"> › Zorlu Enerji’s network of charging stations allow electric vehicle users to travel uninterruptedly and comfortably. Electric vehicle charging stations offer charging services with clean electricity from renewable energy sources certified with I-REC at a total of 934 locations in 81 cities as of the end of 2021. › Electrip, a car rental platform with a fleet of only electric vehicles, supports the reduction of emissions in transport with a total of 45 electric vehicles in its fleet as of 2021. |
| <p>Occupational Health and Safety</p> |  <p>Article 8.8. Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> | <ul style="list-style-type: none"> › Throughout the Group, we safeguard employee health and ensure occupational safety at every stage to attain our goals of zero work-related accidents and zero occupational disease. We offered an average of 8.2 hours of OHS training per employee in 2021. |
| <p>Talent Management</p> |  <p>Article 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> | <ul style="list-style-type: none"> › We offer various learning and training opportunities at the Smart Life Academy in order to make our employees knowledgeable and competent on ESG issues. Participants receive training on topics such as climate crisis, circular economy, entrepreneurship and innovation, diversity and inclusion during the trainings held in cooperation with Boğaziçi University on an annual basis. Approximately 400 Zorlu Group employees participated in Smart Life Academy’s 24-hour “Sustainability 101” training in 2021. › With the academic support of Turkey’s leading universities, Vestel launched the Management Trainee (MT) Program to train young talents who have just graduated from the university as future managers. Organized for the 12th time in 2021, the program was held online with the participation of 19 graduates from Turkey’s leading universities and in collaboration with Koç University. After completing the program, 19 young management candidates started working at Vestel. |

Extremely Important
Material Issues

SDGs We Contribute To

How Do We Manage Them?

Gender
Equality



Article 5.1. End all forms of discrimination against women and girls everywhere

Article 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

Article 5.5.2. Proportion of women in managerial positions

- › Created in line with the Smart Life 2030, the Gender Equality strategy guides all our activities. The top-down leadership approach at Zorlu Holding forms the backbone of our strategy.
- › As an organization against violence and all forms of discrimination, we published the “Domestic Violence Prevention Policy” by participating in the Business Against Domestic Violence (BADV) initiative carried out by Sabancı University Corporate Governance Forum in cooperation with TÜSİAD and supported by UNFPA and Sabancı Foundation.
- › We transformed the idioms and expressions with the Eşit Bi’Hayat (An Equal Life) Dictionary, which is a guiding dictionary to avoid sexist discourse patterns and idioms embedded in our language, into an application that allows for self-check in all Microsoft Office programs within the scope of the “Discourse Control Mechanism”.
- › We are one of the founding members of the 30% Club in Turkey, which aims to improve the gender balance and increase the share of women in companies’ decision-making mechanisms, board of directors and senior management to 30% and actively engage in the activities of the Club.
- › We have been a signatory to the United Nations Women’s Empowerment Principles since 2015.

Renewable
and
Alternative
Energy



Article 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix

- › Having reached an installed capacity of more than 650 MW as of the end of 2021, Zorlu Solar continues to supply photovoltaic modules and inverters for industrial rooftop solar power plants throughout Turkey.
- › In line with 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 further diversify and develop its renewable energy portfolio. It continues its investments to accelerate the transition to renewable and carbon-free resources such as geothermal, wind and solar.



Corporate Governance

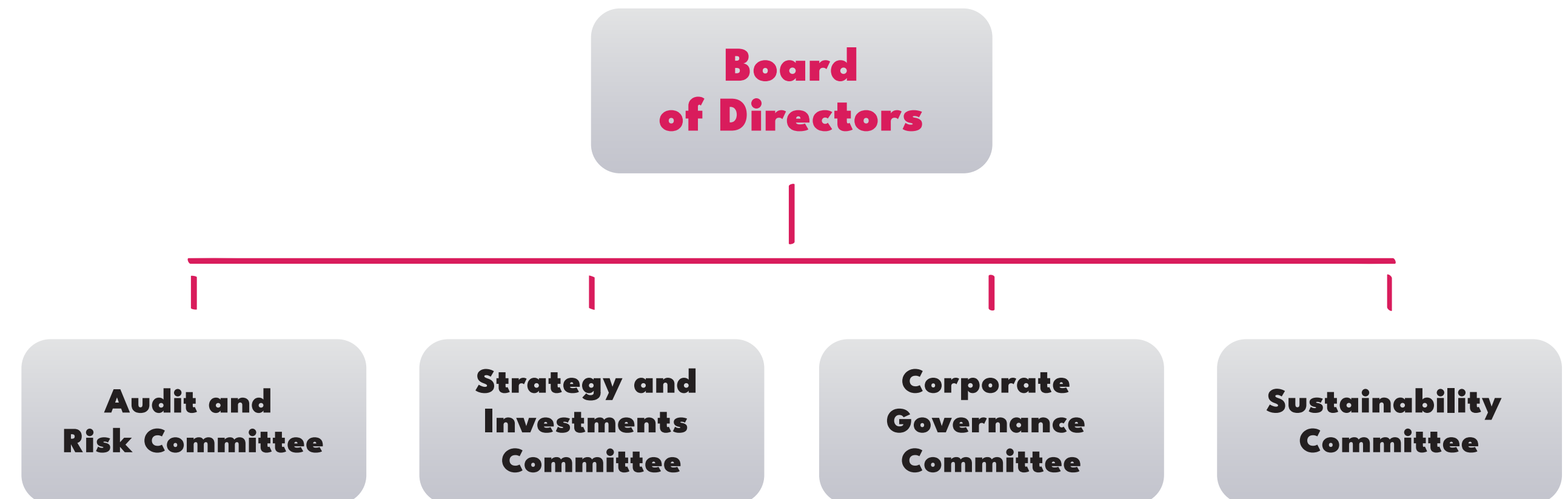
Corporate Governance

Conducting operations in a transparent, fair and accountable manner is at the heart of our corporate governance approach, which is a critical lever that supports the process of attaining our strategic goals and creating value for our company and our stakeholders. We recognize the importance of identifying non-financial risks as well as financial ones and developing a proactive approach to these risks. Accordingly, we place the management of non-financial assets such as human, innovation and environmental capital at a critical position in our corporate governance approach.

Organizational Structure

Zorlu Holding's Board of Directors consists of 10 members, 3 of whom are women. The number of independent members on the Board of Directors is 3. As per the principle of separation of powers, the positions of the Chairman and the CEO are held by different individuals. Chief Legal Officer, Chief Human Resources Officer, Chief Financial Officer, Chief Information Technologies Officer, General Directorate of Corporate Communications and Sustainability and General Directorate of Internal Control report directly to the CEO. The Audit General Manager, on the other hand, which is subordinate to the CEO from an administrative perspective, reports directly to the Board of Directors, which gives the department its authority, in accordance with the principle of independence.

There are four committees supporting the work of Zorlu Holding's Board of Directors: Audit and Risk Committee, Strategy and Investments Committee, Corporate Governance Committee and Sustainability Committee. For detailed information on the Sustainability Committee, please see the [Sustainability Management](#) section.





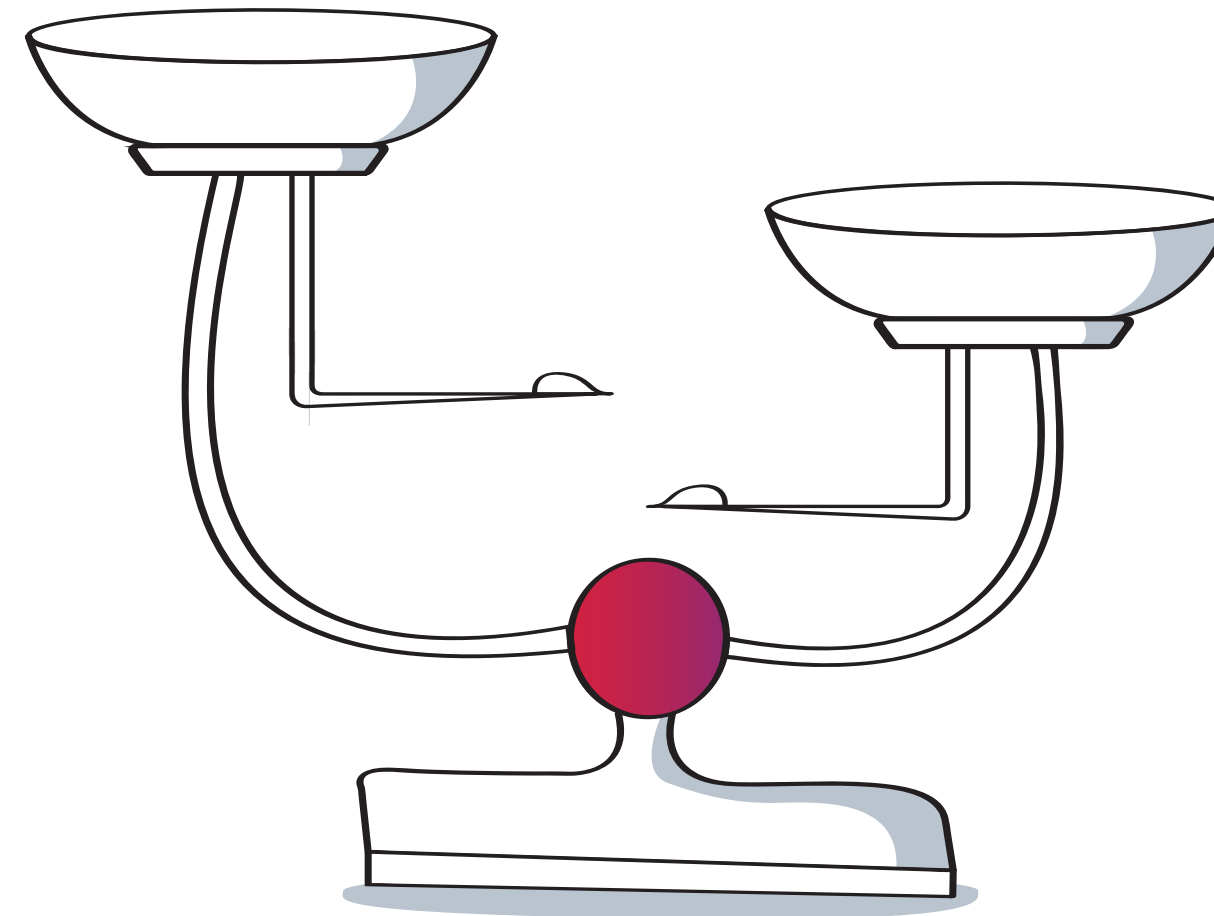
Ethical Principles, Anti-Corruption and Anti-Bribery

Zorlu Holding Ethical Principles regulate the basic principles, values and ways of doing business of the Holding and all Group companies. They cover all employees while they are also binding for all stakeholders, especially suppliers, business partners, dealers, authorized vendors and authorized service providers. The Ethical Principles also ensure that our stakeholder relations are managed effectively. They comprise relationships with employees, corporate and personal conflicts of interest, protection of assets and information security, accuracy in records and financial reporting, occupational health and safety, 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 Ethical Principles can be found [here](#).

We inform all Holding and Group company employees about the Ethical Principles, which guide all operations of Zorlu Group, as well as responsibilities about these principles. Employees may access the Ethical Principles and related practices via **Zone, the internal communication platform**.

The Ethics Committee, formed by the Zorlu Holding Board of Directors, aims to establish, improve and sustain the culture of ethics. The Ethics Committee is chaired by Zorlu Holding's CEO and its permanent members are Zorlu Holding's **Chief Human Resources Officer, Chief Legal Officer** and **Audit General Manager**. Responsibilities of the Ethics Committee include carrying out all activities it deems necessary, developing, updating, publishing and ensuring the feasibility of the ethical principles, organizing training programs for employees and relevant agents, and collaborating with relevant expert organizations.



Implementation Principles and Trainings for the Ethical Principles

In 2018, we began building the infrastructure and content of an online training for our white-collar employees and prepared a comprehensive video accordingly. The online training, which includes case studies and takes about an hour, is offered to all white-collar employees within the Holding and Group companies. In 2021, a total of 2,577 employees, including 1,340 white-collar and 932 blue-collar employees, completed the ethical principles training. We offer training on the ethical principles to all new employees through an on-boarding program. Our sector-based planning for blue-collar employees continues, and we plan to start pilot implementations in 2022.

Our employees are expected to embrace the **Zorlu Holding Ethical Principles** and act accordingly while carrying out all daily duties. In case of any doubt regarding the content of the Principles and/or in case of witnessing any behavior or practice contrary to the rules, all employees who wish to communicate or consult the situation in question can reach the **Ethical Principles Hotline** 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 the **Zorlu Holding Audit General Directorate** conducts the necessary studies, examinations or investigations on complaints, allegations and denunciations that reach the hotline open to the use of all stakeholders as well as employees. After reports of violations of

the Ethical Principles are evaluated by the Zorlu Holding Audit Department, the Internal Audit Review Department forwards the **report** on confirmed cases of transactions or actions that have violated the Ethical Principles, or the result stating that a violation of the Ethical Principles could not be determined, to the **General Manager** of the relevant company, **Sector Head, Members of the Ethics Committee**, as well as the **Board Members** and the **CEO**. Of the 12 notifications received by the **Ethical Principles Hotline** in 2021, 12 were investigated and resolved.

The Ethical Principles also cover the relevant regulations on anti-bribery and corruption. 8 of the cases reported on ethical violations in 2021 were evaluated within the scope of bribery and corruption and the Internal Audit Review Department investigated these cases. A total of 10 reports on bribery and corruption were resolved during the year, including those carried over from the previous year. 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). Disciplinary penalties were imposed on 9 employees for corruption.

Risk Management

We are striving to establish risk awareness and culture in all operations of Zorlu Group. The **Early Risk Detection Committee** and **Corporate Risk Management Department** are in charge of the early detection of financial and non-financial risks that may pose threats to the existence, development and continuity of Zorlu Holding and Group companies and taking necessary measures. The Early Detection of Risk Committee, an independent committee chaired by an independent board member and including other board members, reports only to the Board of Directors. The Corporate Risk Management Department's role in this committee is defined as meeting with committee members, and if necessary, preparing reports on the subjects requested by the committee chairperson or members to be presented to the Board of Directors or recommended by the Corporate Risk Management Department to inform the Early Detection of Risk Committee. After this meeting, the committee chairperson presents the decisions to the Board of Directors. The Board of Directors approves these decisions if it sees fit. Zorlu Holding CFO is the highest person responsible for risk management at Zorlu Holding.

The effective management of risks is crucial 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. Within the scope of risk management,

we aim to effectively manage and eliminate all risk factors that may have a negative impact on the company's sustainability.

According to the Corporate Risk Management Policy, which is binding for Zorlu Holding and all Group companies, risk management consists of the following stages:

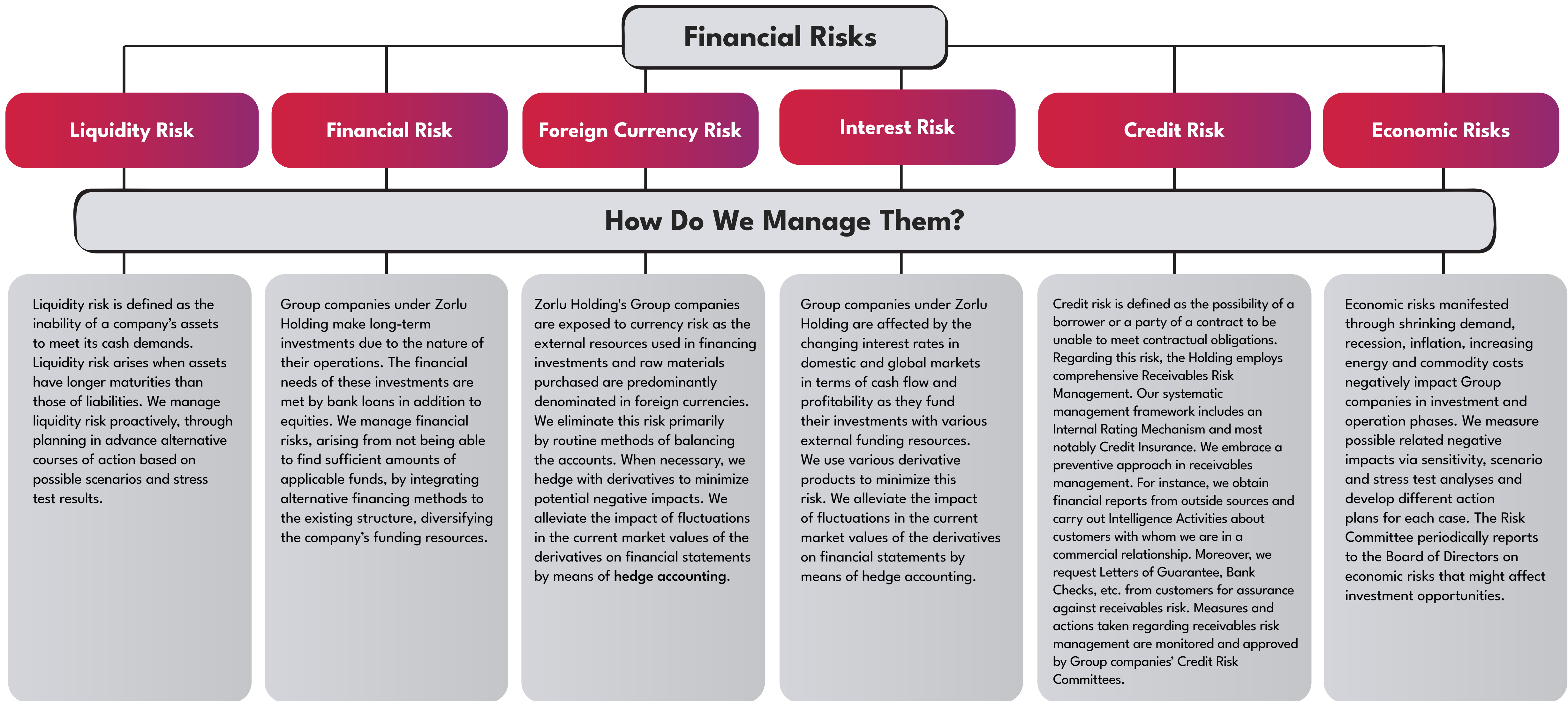
- › Goal setting
- › Risk identification
- › Risk assessment and inherent risk
- › Action identification
- › Residual risk and action plan monitoring

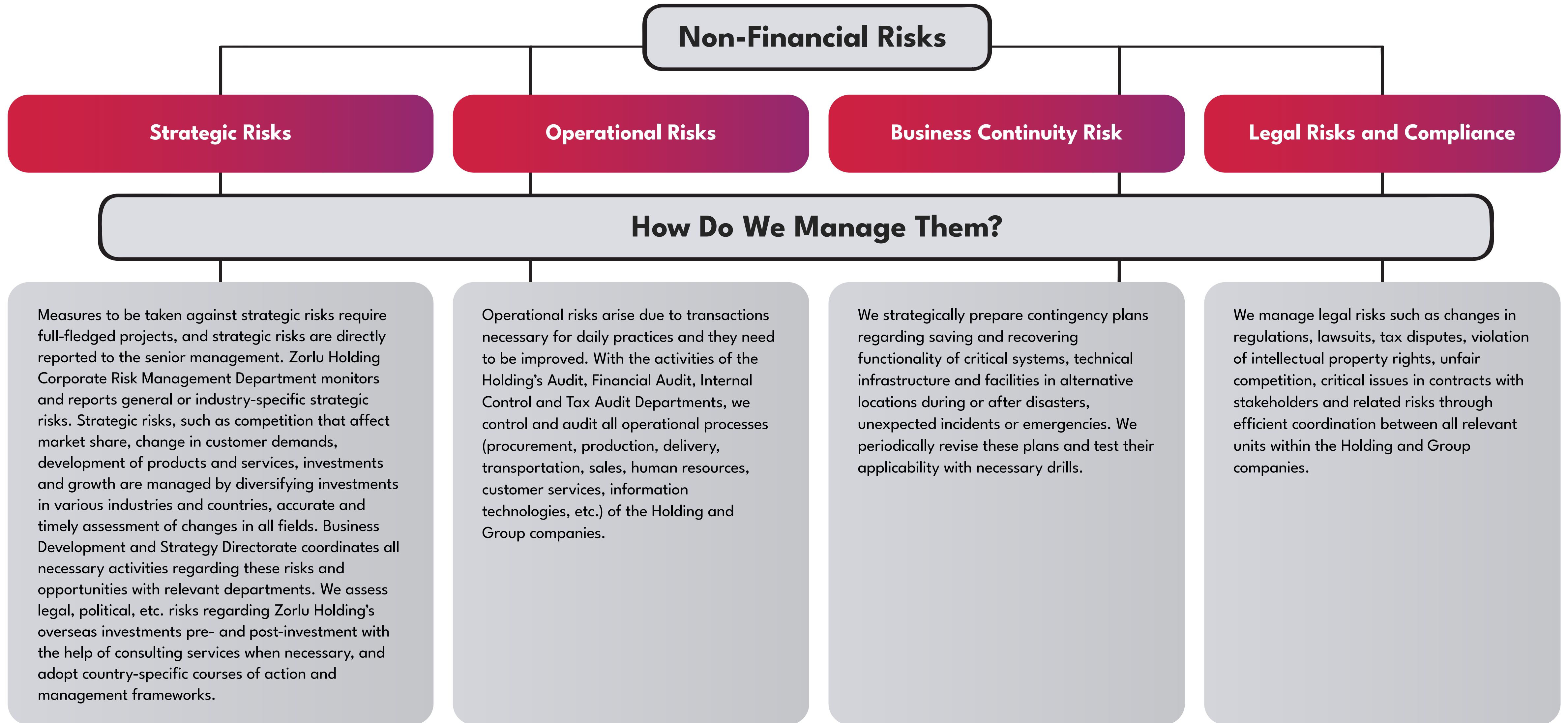
Accordingly, risk management principles are integrated into the strategic planning and target setting processes, and it is ensured that the company's strategies and objectives are compatible with the risk appetite. Afterwards, risks and opportunities that may affect the company's objectives are identified through a joint study across the organization, and the likelihood of these risks and their possible impacts on the company are identified. At the same time, the value of the risk before the actions taken and control activities, that is, the inherent risk, is calculated. The most appropriate risk responses (**risk acceptance, risk transfer, risk mitigation, risk avoidance**) are identified against the assessed risks, and the risks are proactively managed based on the

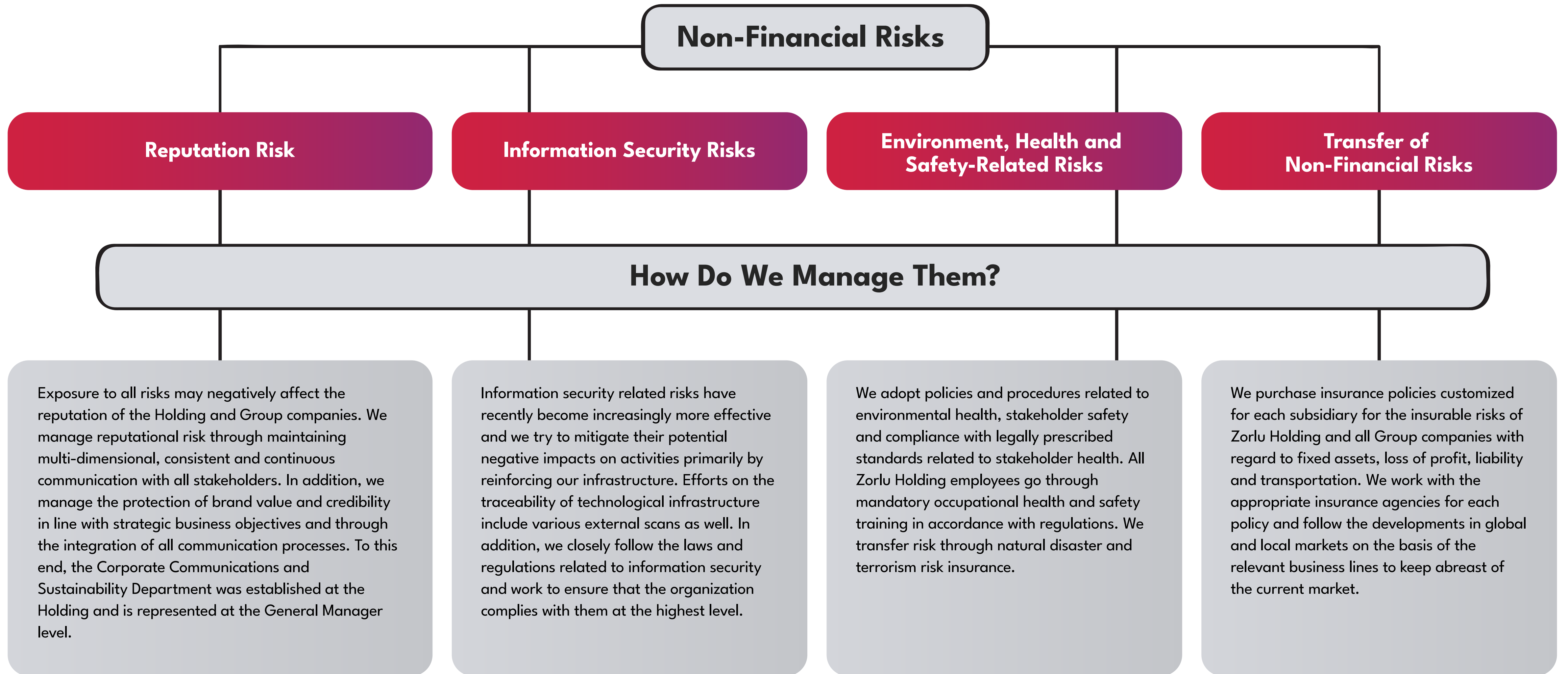
right actions in this regard. Following the actions taken, the residual risk, which is the resulting value of the risk, is calculated. Throughout the risk management process, the action plan is monitored to track the completion status of the relevant actions, key risk indicators, risk reporting and sharing with the stakeholders.

In 2021, we conducted a risk assessment survey across the Group in order to create an effective risk culture in our Holding and Group companies and to improve the existing risk culture. In this way, we managed to analyze risk awareness and carry out **probability-impact analyses**. We also offered **Cyber Risk Awareness Trainings** and completed preliminary work on **Cyber Risk Insurance**. **In 2021, through the Early Risk Detection Committee, we submitted the following risk reports to the Board of Directors in order to ensure adequate oversight of corporate risk management processes:**

- › Global Risk Outlook and the Impacts of the Pandemic on the Sector
- › Carbon Emission in the Energy Sector and Climate Change
- › Electric-Electronics Sector Carbon Emissions and Climate Change
- › Economic and Social Impacts of Migration Waves on Turkey
- › Risks Rising with Global Warming and the Insurance of Such Risks
Increasing Risks and Impacts in Recent Periods







Audit

The **Audit General 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 carrying out activities on the effective and efficient use of resources, compliance with written rules, and information accuracy, security and reliability in line with a Board-approved, risk-based annual audit program. The department also provides consulting services with reasonable assurance.

In the monthly evaluation meetings held between the Audit Department and the CEO and Board Members, planned and actual activities such as audits, consultancy and due diligence are evaluated and findings are shared. Plans for the next period are reviewed by evaluating the results of the follow-up with the action plans to be taken for the findings.

You can find more information about Zorlu Holding Audit General Department under the **“Audit”** section of the [2020 Annual Report](#).

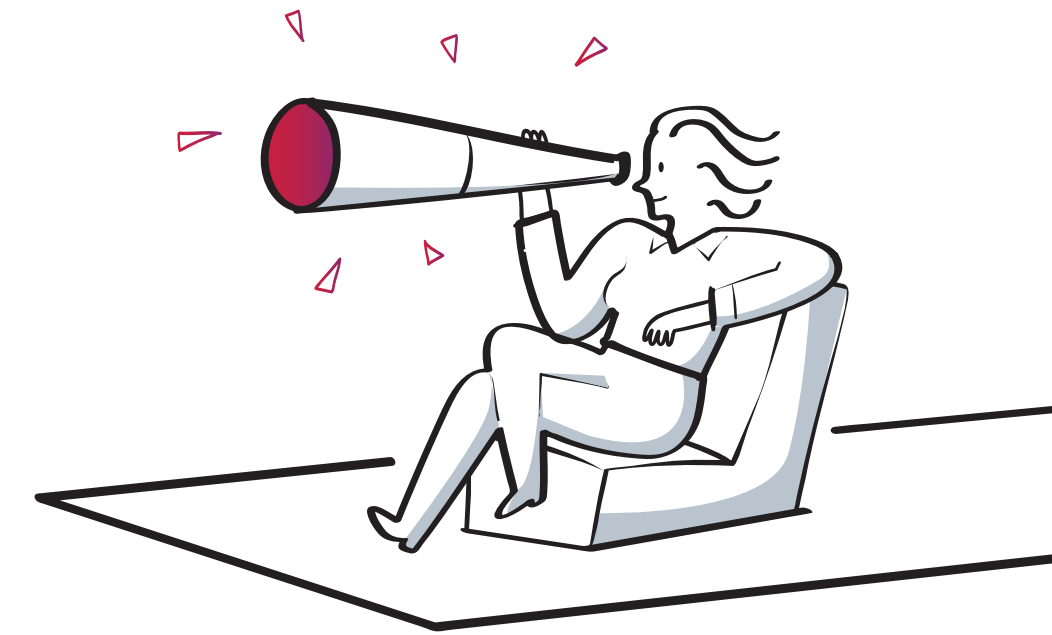
Internal Control System

Implementing an internal control mechanism effective in all activities and processes is an indispensable component of a responsible and sustainable management approach. Zorlu Holding centrally coordinates and carries out internal control of Zorlu Group companies. **Zorlu Holding Internal Control General Department** aims to carry out efficient, effective, integrated and consistent risk management at Group companies in line with objectives. To this end, the department coordinates establishing and maintaining an internal control system to enable sharing, disseminating and spreading the implementation of best practices of companies.

The Internal Control Department prepares an annual risk-based **internal control plan**. The plan is prepared based on risk-based evaluations by the Internal Control Department, requests from the Board of Directors and management, findings on internal control from audit activities conducted by the Audit Department, and corporate risk maps. The annual internal control work plan is submitted to Zorlu Holding’s CEO and Board of Directors for information and approval.

The Internal Control Department supports executives and employees with identifying improvement areas in business processes and the internal control system, as well as identifying necessary steps to take. The department also provides support for utilizing informational technologies effectively, implementing predetermined actions and regularly monitoring the progress of such actions. In addition, the department provides regular guidance to executives and process owners on these issues. During regular meetings between the Internal Control Department and the management, internal control activities planned and realized within the year are evaluated and relevant findings are shared. Action plans to be implemented on the findings and follow-up results are shared, and plans for the upcoming period are reviewed. All relevant executives and employees of group companies contribute to establishing, monitoring and evaluating internal control systems and taking the necessary measures.

You can find more information about Zorlu Holding Internal Control General Department under the **“Internal Control”** section of the [2020 Annual Report](#).





Human-Oriented Ecosystems

Human-Oriented Ecosystems

In addition to affecting human health, the COVID-19 pandemic has also changed social structures, reminding once again the importance of resilient societies. In addition to inequalities in access to health services, economic and social inequality has continued to increase since the pandemic began. This inequality, which affects all societies, has, in a sense, initiated a social transformation, making it imperative for all stakeholders to work together to build resilient societies. The private sector, one of the most critical stakeholders in this process, has a responsibility to adapt to changing ways of doing business and to take action to increase the welfare of humanity.

Changing ways of doing business with the pandemic, developments in digitalization and technology cause working conditions and employee expectations to transform much faster than usual. Companies that can keep up with this rapid transformation process increase their capacity to create value, and are one step ahead in sectoral competition. In order for companies to keep up with this transformation process, it is especially important to understand the expectations of the new generation of human resources and to develop existing human resources in the light of global trends. In addition, it is important for all sectors that companies which cannot meet the changing employee expectations with the pandemic are negatively affected by the **Great Resignation**¹⁷ wave that started in 2021.

Research shows that Generation Z values a good work-life balance and opportunities for learning and development when choosing a job. In addition, it is noteworthy that 40%

of Generation Z do not accept job offers from companies that do not match their values such as diversity, equality and inclusion, or leave their current jobs for this reason.¹⁸ This makes it a critical risk for companies to retain their existing human resources and be preferred by the next generation of talent. Innovative business models with a goal-oriented approach to social and environmental issues and transparent management structures enable companies to maintain employee satisfaction and loyalty and become a company preferred by new generation talents who will make a difference in the business world of the future.

In this transformation process, where the future of the business world and social structures are being shaped, we closely monitor changing employee expectations and the impact of this change on our business. With the critical role we have assumed in the current transformation process, we are working to establish human-oriented ecosystems in all our operations, and we make our investments accordingly. We **adopt gender equality, equal opportunities and inclusion** as a common value in all our Group companies and develop programs **focused on diversity, inclusion and accessibility**. We create value for our employees, society, business partners, suppliers and customers in all our operations. With this perspective that we adopt across our Group companies, we support the sustainable development of all the regions in which we operate, and we carry out many activities with our **social investment approach based on shared value and benefit**.

HUMAN-ORIENTED ECOSYSTEMS **

- Investing in the Future of work and leading the change in inclusion and diversity
- Become an employer of choice in all sectors
- Achieving a 100% sustainable supply chain by 2030 (primarily strategic suppliers)
- Pioneering in social investments and allocate 1% of Zorlu Holding's EBITDA every year to Sustainable Development Goals

17

The Sustainability Yearbook 2022, S&P Global, 2022

18

Understanding Generation Z in the workplace, Deloitte, 2022

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Click [here](#) to see sectoral performances for targets.



* Illustrated by Eren Boz for Zorlu Holding Sustainability Report.

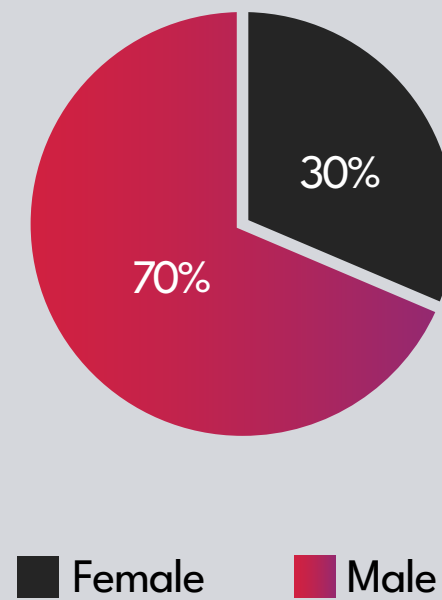
The Future of Work and Workforce Management

Global research shows that 66% of employees believe they need to acquire new skills to keep their current jobs.¹⁹

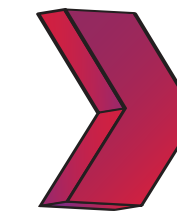
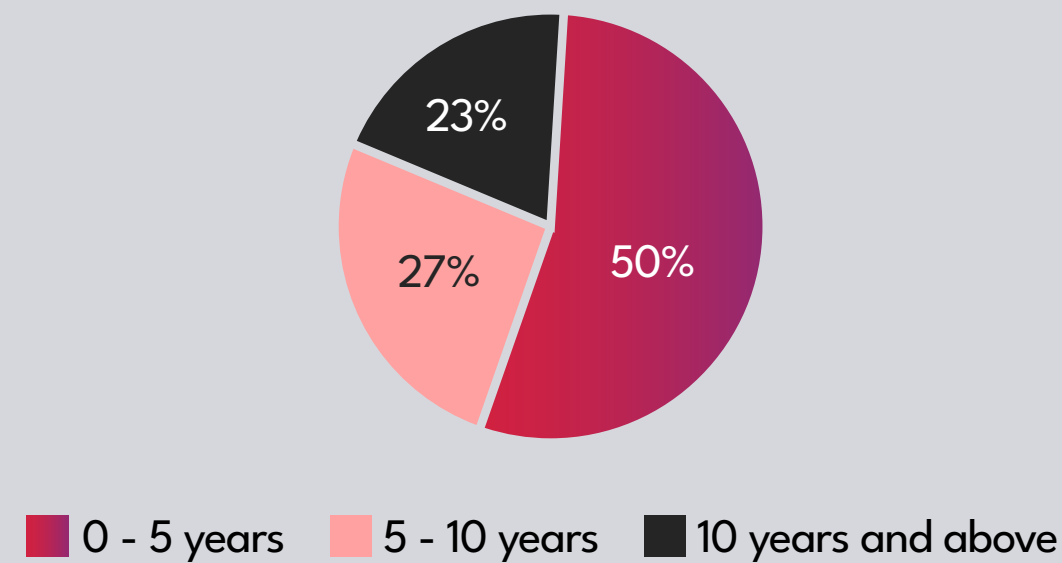
Digitalization and innovative Industry 4.0 technologies, accelerated by the COVID-19 pandemic, are changing the future of work, while also necessitating social change. It is of great importance for companies to keep pace with this process of change, contribute to the development of future workforce capabilities, and invest in both agile and flexible organizational structures.

In line with all these developments, we closely monitor the future of work and global trends in the workforce, and conduct goal-oriented studies in line with employee demographics and expectations across Group companies. As of 2021, we support **more than 28 thousand** employees to develop their current skills and acquire the competencies of the future, and offer a **decent, fair, equal** and **inclusive** working environment.

BREAKDOWN OF EMPLOYEES BY GENDER



BREAKDOWN OF EMPLOYEES BY TIME AT THE COMPANY



19

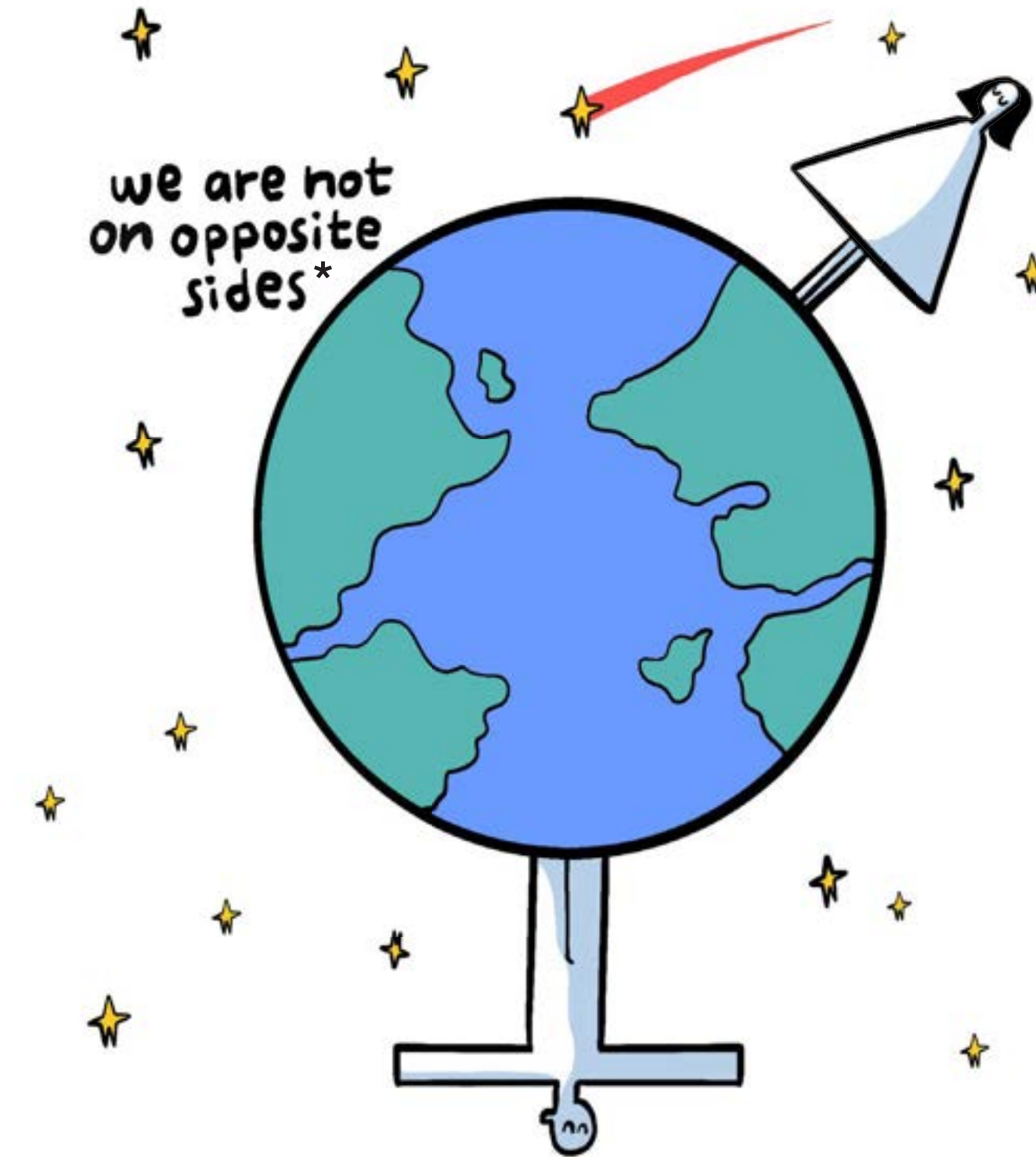
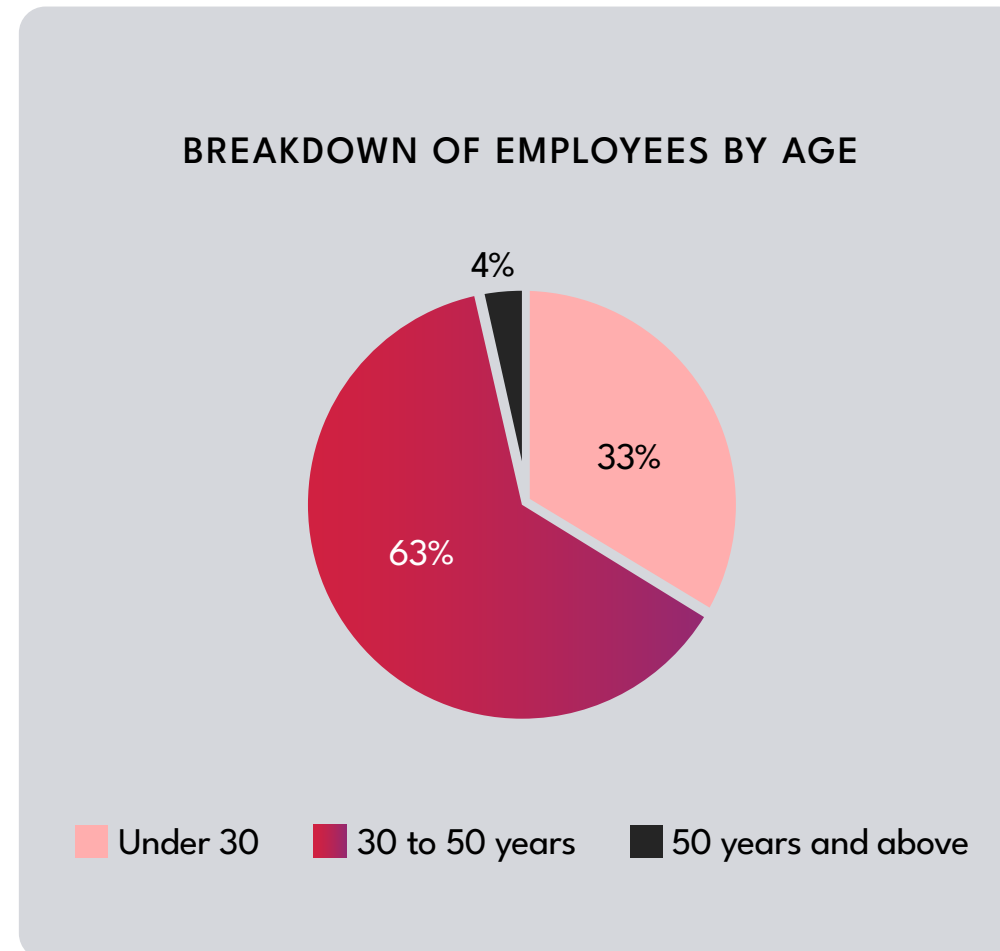
6 world of work trends set to shape 2022, WEF, 2022

Diversity and Inclusion

Innovations that directly impact the business world, such as increased opportunities to work remotely and access to more diverse human resources as global economies develop, increase the importance of diversity and inclusive corporate culture. Diversity in the workforce creates an environment of trust that respects employees' basic human values such as gender, religion, language and race. In addition, it is predicted that **Generation Z, which will constitute 27% of the workforce in the member countries of the Organization for Economic Cooperation and Development (OECD) by 2025, will prefer companies that have made diversity a corporate culture when looking for a job.**²⁰

A workforce composed of employees with different experiences, competencies and backgrounds has a positive impact on creativity, innovation and productivity. In addition, the sense of belonging of employees, who are supported equally is also positively affected. This situation, which boosts employee loyalty, reduces resignation rates and contributes to the financial performance of companies.

With our corporate culture, as Zorlu Group, we do not discriminate on the basis of religion, language, race, ethnic origin, gender and sexual orientation in all human resources processes from recruitment to salary management, and adopt a zero-tolerance policy against discrimination. Strengthening our corporate culture to be **inclusive and egalitarian**, we organize various trainings and activities throughout the year with the principle of equal opportunity.



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Gen Z and the end of work as we know it, WEF, 2022

Gender Equality

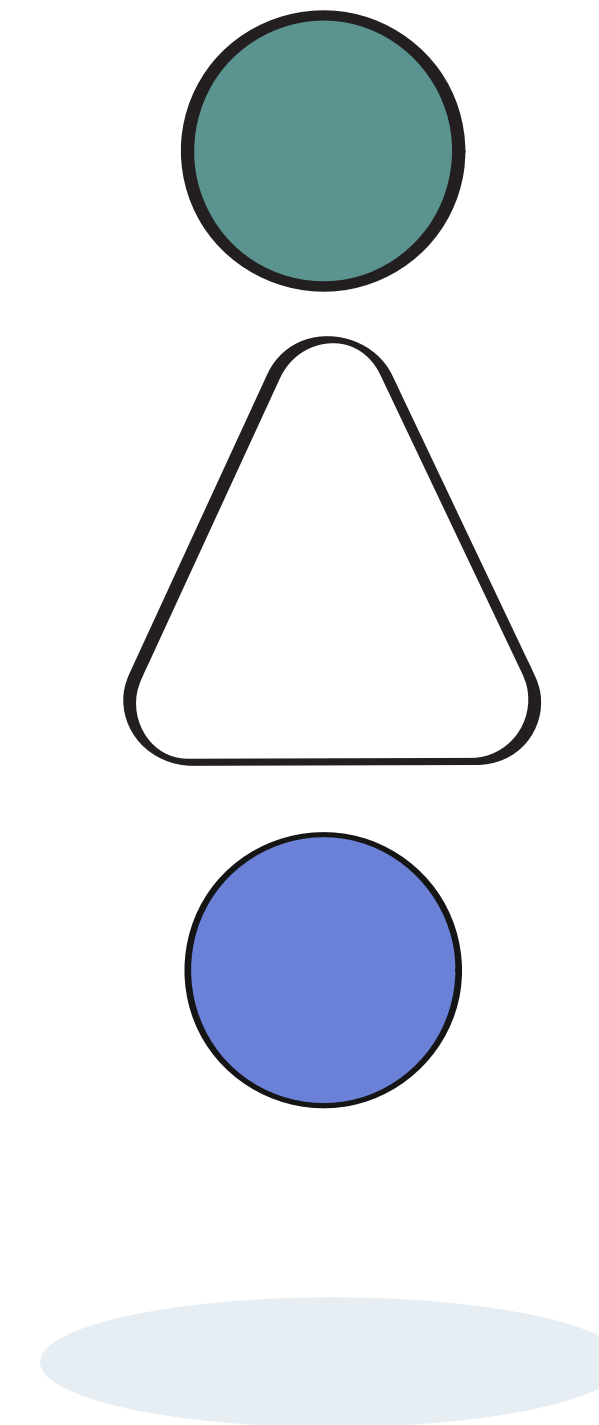
Although global awareness on gender equality is on the rise, practices that create inequality between genders, especially in the workplace, still persist. According to research, women think that basic human resources processes such as recruitment, performance evaluation, equal pay for equal work and career development opportunities are carried out in an unfair and non-transparent manner.²¹

Stereotypical cultural norms lead to discrimination against women at the workplace and throughout their careers. It becomes critical for companies to update their corporate cultures to bring gender equality to the forefront by changing the perceptions, behaviors and values formed under the influence of these norms.

As Zorlu Group, we focus on being active in all areas of social development as we move forward in line with our Smart Life 2030 strategy, which is based on the

United Nations SDGs. At the same time, we advocate gender equality in all areas of life and continue our work with the vision of guiding the sectors in which our Group companies operate. As part of our roadmap, we established the **Gender Equality Committee**, comprised of executives from our companies, and the Working Group, comprised of volunteer employees, to launch our leadership movement.

We attach importance to dynamism, innovation and creativity in all business processes with our approach to **Gender Equality**, which we have created with a leadership mentality that extends from the top management of Zorlu Holding to the grassroots. In addition, we aim to play a leading role in ensuring equal opportunities in the business world and society in general, with an approach to creating a corporate culture that is nourished by inclusion and diversity.



²¹ PWC, Gender Equality at Work 2022

We attach importance to rendering gender equality a corporate policy, and carry out all our human resources processes within our companies in line with this vision. We support the strengthening of women's representation in social and economic life and the increase in women's participation in the workforce. We work to increase the number of female role models and leaders in all Zorlu Group companies and to ensure equal representation in senior management. In this context, we contribute to raising the awareness of all our stakeholders on gender equality. We continue to work on the basic gender equality training that will be mandatory for all Zorlu Group employees, and we plan to make the training accessible to employees in 2022.

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

With our responsibility to ensure gender equality, we strive to maximize added value by collaborating with local and international platforms. As Zorlu Holding, which works to ensure gender balance in the decision-making mechanisms, boards of directors and senior management of companies, we take an active role in the activities of the **30% Club** and the **Women on Board Association**, of which we are among the founding members in Turkey. We have been a **United Nations Women's Empowerment Principles** (UNWEPs) signatory since 2015.

We are one of the founding members of the 30% Club in our country, which aims to improve the gender balance and increase the share of women in companies' decision-making mechanisms, board of directors and senior management to 30% and actively engage in the activities of the Club ever since its establishment in Turkey.

With the same approach, we also support the Women on Board Association. In human resources processes, we implement practices that are based on the **KAGİDER Equal Opportunities Model** (FEM) Certificate and observe equal opportunity. We continue to support KAGİDER's "**Buy from Women, Enrich the Motherland**" campaign to increase the number of female employees in the supply chain.

Eşit Bi'Hayat (An Equal Life) Dictionary

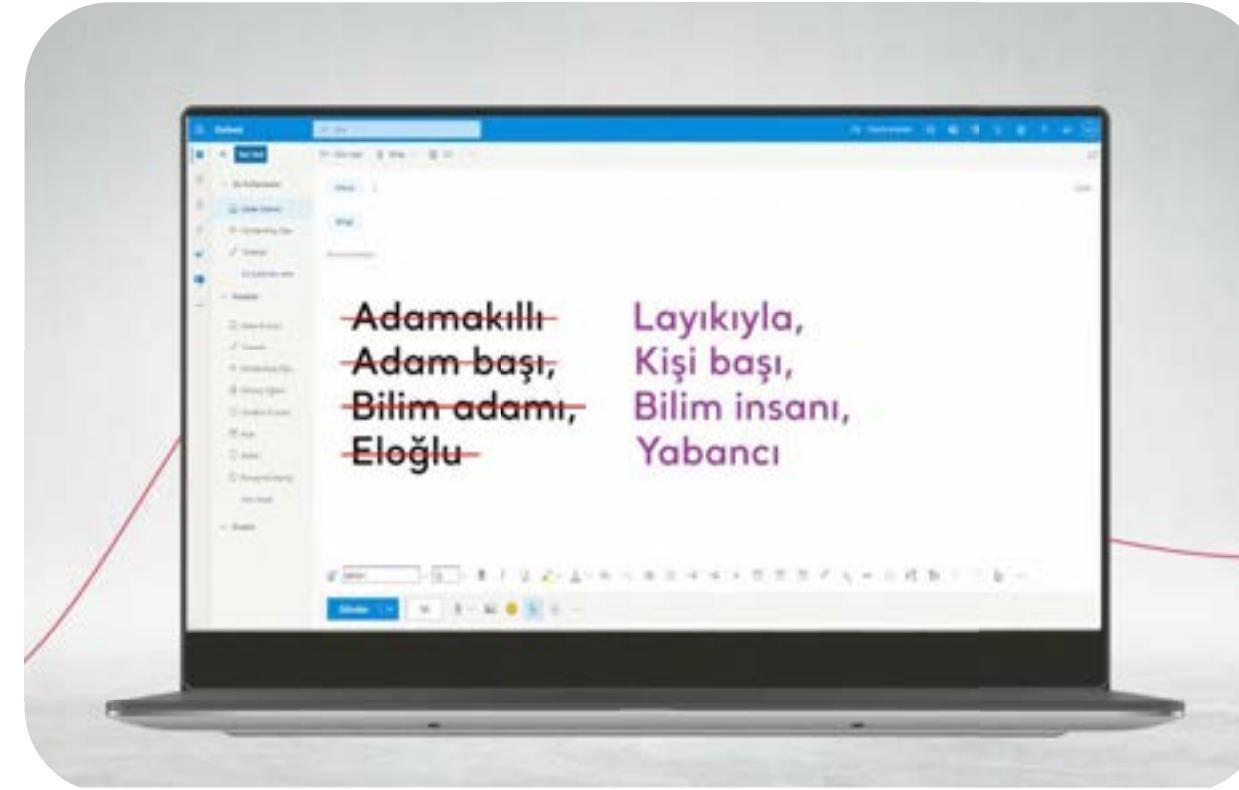
We are committed to using more inclusive language to ensure equality in all areas of life. With this approach, we have prepared the **Eşit Bi'Hayat (An Equal Life) Dictionary**, which allows us to easily access sexist expressions that we want to overshadow, and to easily find discourses that we can use instead from the perspective of equality and inclusion.

We have made it available to all our stakeholders as a guiding dictionary to help us avoid sexist discourse patterns and idioms that are embedded 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 within the scope of the **“Discourse Control Mechanism”**. Thus, we aim to expand the use of more inclusive alternatives to sexist expressions used in internal correspondence.

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

We continue to work on the basic gender equality training that will be mandatory for all Zorlu Group employees, and we plan to make the training accessible to employees in 2022.

In December 2020 and April-June 2021, as part of the Eşit Bi'Hayat (An Equal Life) approach, we supported İKSV Istanbul Film Festival's **“No More Flowers”** selection, focusing on women and equality. Within the scope of our support, before film screenings, we showed short films with the theme **“It's Time for Some Words to Be Left in the Dark”** to draw attention to the use of sexist discourse in films and referred the audience to the Eşit Bi'Hayat (An Equal Life) Dictionary.



Combating Domestic Violence

As an organization against violence and all forms of discrimination, we published the **Domestic Violence Prevention Policy** by participating in the **Business Against Domestic Violence (BADV)** initiative carried out by Sabancı University Corporate Governance Forum in cooperation with TÜSİAD and supported by UNFPA and Sabancı Foundation. In the policy, we defined all forms of violence and shared the internal and external communication channels that our colleagues and their children can use in case of violence, as well as our 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. As part of this approach, we have developed mechanisms to ensure that our colleagues who are subjected to violence receive legal and psychological support.

In this context, we signed a protocol with the **Federation of Women's Associations of Turkey (TKDF)** to raise awareness on the **Domestic Violence Emergency Helpline** within Zorlu Group. We also support UN Women's **16 Days of Activism Campaign** against gender-based violence every year.

You can reach **Zorlu Holding's Domestic Violence Prevention Policy** [here](#).

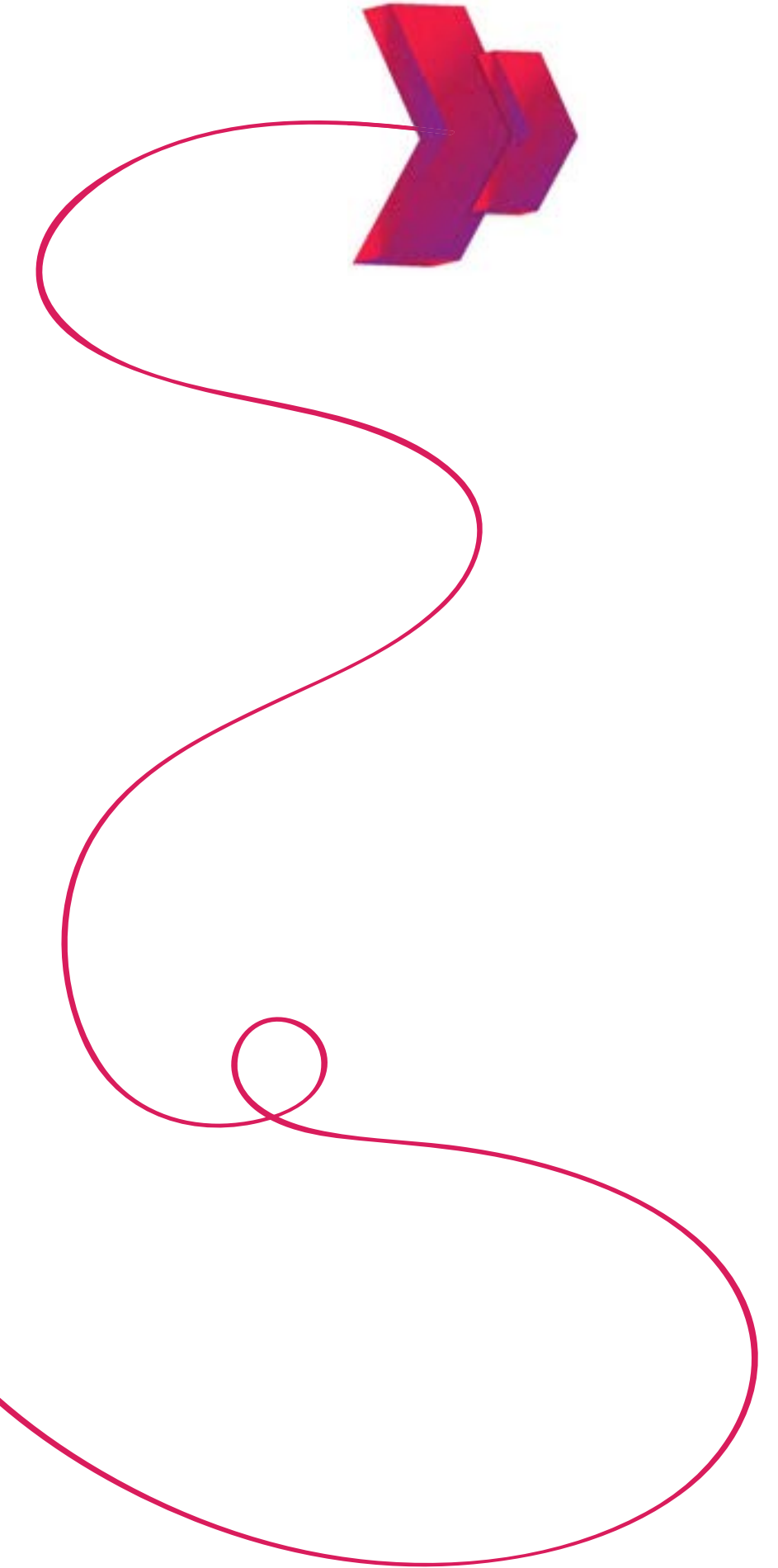
Employee Engagement and Satisfaction

Among the most important factors contributing to the sustainable financial success of companies are employees who are satisfied with their jobs and loyal to their companies. Employees, who continue to add value to their companies with their loyalty, play a critical role as the basic building blocks of the resilient structure of companies in times of crisis.

In order to ensure the sustainability of our financial success as well as the value we attach to our employees, we place importance on employee engagement and satisfaction and position it as a critical priority in our strategic roadmap. We aim to maximize the added value our employees offer by working in a safe work environment. To this end, we focus on establishing transparent communication with our employees and carefully evaluate their feedback by creating an environment of mutual trust.

We strive to increase employee satisfaction through the work we carry out at the Holding and Group companies. In this context, we undertake research and conduct surveys to identify areas open to improvement. We analyze these assessments in each Group company's own sector and prepare roadmaps for improvements.

We measure the results of our efforts to increase employee engagement and loyalty through biannual evaluations, and we constantly update the necessary improvements according to these results. In 2021, **employee satisfaction** across Zorlu Group was **72%** and **employee engagement** was **56%**.



Talent Management

In addition to the COVID-19 pandemic, it is predicted that new technologies such as digitalization, which have changed the way of doing business in a very short time, will completely alter the global way of doing business in a much shorter time than expected, and the capabilities used today will be completely different in the next 10 years.²²

This rapid change makes it important to develop existing talent in line with the requirements of the era and to recruit new talent for sustainable operational success. By supporting the personal and mental development of existing employees as well as improving their professional competencies, it may be possible to sustain the added value that the existing workforce offers to the company's success. On the other hand, it is critical to correctly analyze the talent requirements determined in parallel with global trends and to understand the demands and expectations of the new talents to be employed in this direction.

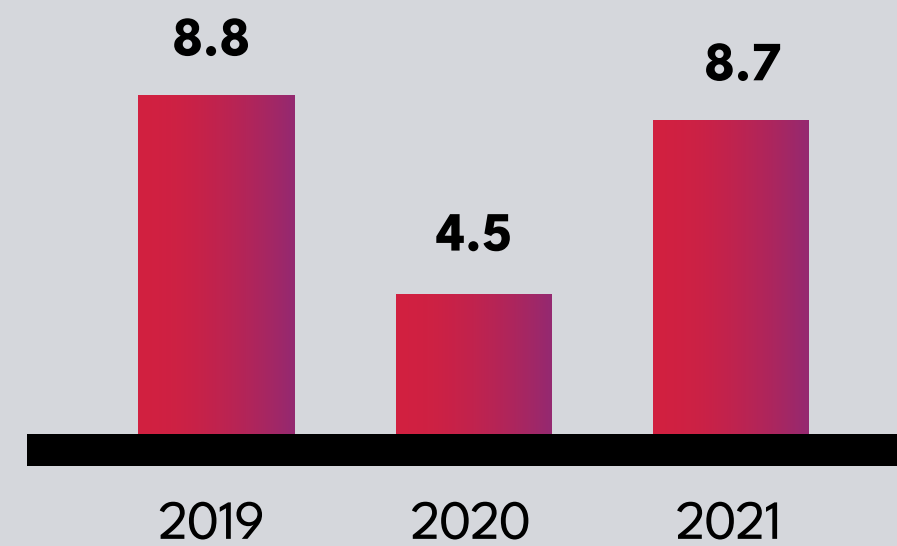
We know the importance of competencies for the realization of our strategic goals and the sustainability of our achievements. We design various career journeys to train leaders with the skills that will make a difference in the business world of the future, and we implement innovative programs with our vision

of becoming the **most preferred company by employees** to attract new generation talents. In addition, we value our employees' innovative ideas that will take our business models one step further, and we support their entrepreneurship and problem-solving skills through platforms where they can freely share their ideas.

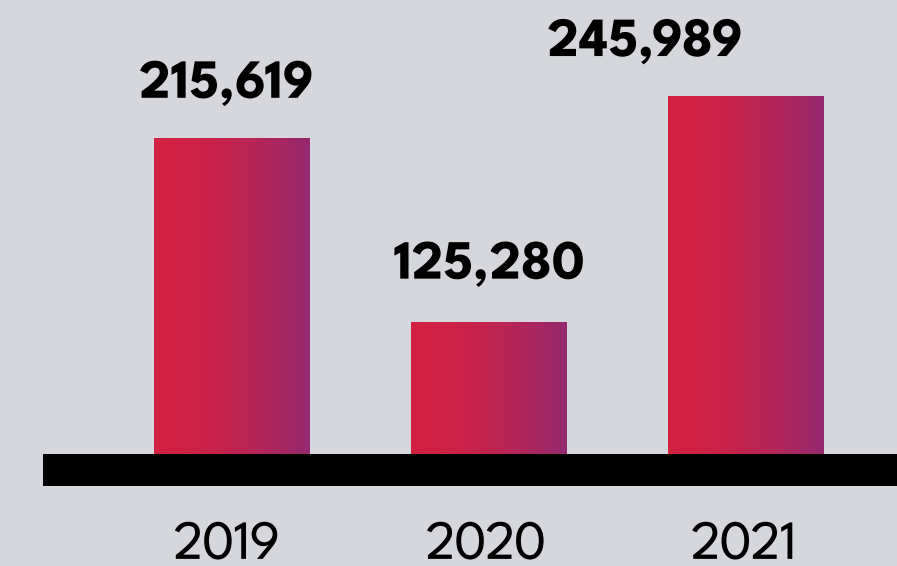
We implement various training and development programs throughout the year to encourage employees to improve their skills. In 2021, we provided a total of **245,989 hours of training** to our employees, reaching **8.7 hours of training per employee**.

We support our employees in designing their career journeys, thus ensuring that existing talents are evaluated in different fields in light of ever-changing global trends. With the horizontal and vertical career development opportunities we offer in all companies, we materialize rotations that meet both the career journeys of employees and the needs of companies. We actively use the **Human Resources Information Systems** infrastructure we developed for digital transformation processes in the Holding and Group companies, and we carry out employee performance evaluation processes with this application.

Average Training per Employee
(hours)



Total Training Time
(person x hour)



22

The future of work;
A journey to 2022,
PwC

Parlak
bi'fikir!

Parlak Bi'Fikir (A Bright Idea)

Through the Parlak Bi'Fikir (A Bright Idea) program, which includes Zorlu Holding's in-house entrepreneurship and open innovation activities, we aim to develop the entrepreneurial spirit in Holding and Group companies and reinforce an innovative corporate culture.

In this context, we launched the second cycle of the **Parlak Bi'Fikir** (A Bright Idea) program in 2020 and finalized it in 2021. Out of 720 applicants, 15 teams were formed around 15 ideas as a result of the evaluations made by the jury including the senior management. The eight most preferred startups received seed investment and had the opportunity to conduct product development, market research and MVP product testing.

The ideas discussed at the Parlak Bi'Fikir (A Bright Idea) final jury held in April 2021 were considered at **Vestel Ventures** in terms of investment. The **BRB**, **Geliver** and **Ne Ekersen** teams, which received investment, continue to work as a joint venture of Zorlu Holding, while **Selffix** continues to work as an internal project within Vestel.

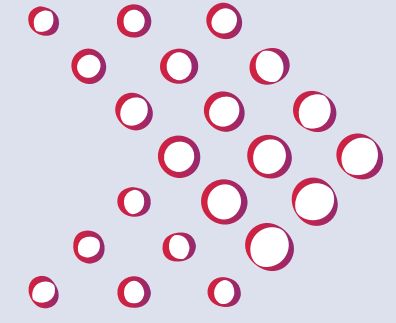
Vestel Management Trainee Program

Vestel continued its **Management Trainee** (MT) Program, which was launched in 2009 to train young university graduates as future managers, with the academic support of Turkey's leading universities in 2021.

Within the scope of the program, the professional and personal development of manager candidates was supported with academic and professional trainings in cooperation with Koç University. Management trainees in the program not only enjoy internship opportunities in different units of **Vestel Group**, but also have the opportunity to work with managers at various levels and experience the corporate culture and ways of doing business.

Selected from Turkey's leading universities, **19 new graduates** completed the program in 2021 and started working at Vestel.

Akıllı Hayat
Akademisi



Smart Life Academy

At Zorlu Group, within the framework of our Smart Life 2030 vision, we focus on human-oriented systems and innovative business models to create high value for all our stakeholders and companies in environmental, social and governance areas. In addition, we support **Smart Life Architects**, who lead sustainability efforts within Zorlu Group, with trainings and various events. In this context, we have been continuing our training programs organized in cooperation with **Boğaziçi University Lifelong Learning Center** (BÜYEM) since 2019. The trainings cover the latest developments, new concepts and approaches in the field of sustainability.

Approximately **400** Zorlu Group employees participated in the **Smart Life Academy's** 24-hour "**Sustainability 101**" training in 2021. Participants who received training on the basic concepts of sustainability such as climate crisis, circular economy, entrepreneurship and innovation, diversity and inclusion, and who were successful in the evaluation at the end of the training were awarded certificates of achievement by BÜYEM.

Geleceğe Bi'Adım (Step into the Future) Zorlu Group Internship Program

Zorlu Holding's **Geleceğe Bi'Adım (Step into the Future) internship program**, which was held for the third time this year, and offers university students the opportunity to do internships under pandemic conditions and lasts for four weeks, was held in August 2021 with the participation of **191** students from **55** universities. During the internship program, 95 department managers shared their knowledge and experience with the interns, while 135 internship coaches from within the company guided the students on their learning journey.

Within the scope of the four-week internship program held with the participation of experts in their fields, webinars, trainings, project studies and digital meetings with managers were organized on different topics ranging from work experience to personal development, thus providing experience opportunities to prepare young people for the business world.

The program included access to e-trainings, articles and TED videos at **Zorlu Academy** for interns, as well as internal training at **Vestel Retail Academy**. We organized various activities such as personal development trainings, webinars with expert guests, "**Digital Executive Meetings**" where company executives shared their career journeys and advice, interactive workshops, and conversations with Human Resources Managers of Zorlu Group companies. We awarded certificates to the interns who completed the internship program, which received positive feedback.



Geleceğe Bi'Adım (Step into the Future) Information Technologies New Graduate Program

We launched the **Geleceğe Bi'Adım (Step into the Future) Information Technologies New Graduate Program** to bring creative, innovative and dynamic new graduate talents to Zorlu Holding by supporting the career and education of young people. Within the scope of the program, new graduates work in different teams under Zorlu Holding Information Technologies Group.

As part of the approach, a detailed training program was designed in cooperation with **Sabancı University** to support adaptation to business life, to contribute to aligning and creating a common language for strong communication with the ecosystem to be engaged with, with a focus on business areas for young people. Technical and personal development-oriented trainings were included in the training program consisting of **Introduction to Data Science, Business Life 101, Innovation and Transformation** modules. In this context, Zorlu Group plans to recruit new graduates in functions such as Information Technologies, Internal Control and Audit, and to continue other projects for their career development.

Leadership Academy and Management Academy



As Zorlu Group, we manage transformation with an innovative approach by taking important steps for a sustainable future in line with the Smart Life 2030 vision. By putting people at the center of transformation, we support talent development through an agile, dynamic and innovation-oriented work culture. In this context, we launched our development program designed to provide new competencies and skills.

We completed the first cycles of the **Leadership Academy** and **Management Academy** development programs in January, and the second cycle of the Management Academy for managers in July.

The Leadership Academy training program, which includes managers with the title of Assistant General Manager, was implemented with the contributions of **Koç University**. It includes 10 different trainings covering many topics such as digital transformation, strategic management, innovation and finance. In the program, managers also participated in one-on-one coaching sessions for 6 hours each. **83** Assistant General Managers completed the Leadership Academy.

The Management Academy program, which was held with the participation of 169 executives with the title of Manager, was implemented in cooperation with Boğaziçi University. Consisting of 15 different courses and spanning 17 days, the program was structured in 3 modules: "**New World Order**", "**Effective Management**" and "**Agile Leadership**".



Corporate Volunteering

Creating a culture of volunteerism in the workplace increases employee morale and motivation, improves workplace atmosphere and strengthens brand perception.²³ We believe in the power of corporate volunteering to improve productivity and increase employee engagement. We aim for volunteering activities to boost employees' commitment to work and contribute to the development of initiative, teamwork, cooperation, planning, organization and leadership competencies. The participatory nature of volunteering not only positively impacts employees' perception of the company, but also allows them to create a more meaningful connection with the larger community. We are also aware that we can create positive social impact through volunteering activities. We are committed to contributing to a sustainable society and support our employees to participate in various volunteering activities.

In line with our Smart Life 2030 vision, we carry out volunteering projects within the scope of our corporate volunteering program, **Kıvılcıklar (Sparks) Movement**. We recognize how important it is to take action today to build a sustainable future. We attach importance to volunteering activities both to create common value and to achieve systemic transformation.

With our corporate volunteering program “Kıvılcıklar (Sparks) Movement”, we have been working with more than 2,200 volunteers since 2018. We performed 2,300 hours of volunteer work in 2021.

Since 2018, we have engaged in volunteering work for eliminating inequalities to contribute to the solution of social problems and in line with our focal areas identified for the environment with the help of over 2,200 volunteers under “**Kıvılcıklar (Sparks) Movement**”, our corporate volunteering program. In 2021, we performed approximately 2,300 hours of volunteer work. In September 2021, we launched our “**Discovery Workshops**” volunteering project, one of the projects developed by “Kıvılcıklar” (Sparks). Throughout the year, we implemented more than 10 volunteering projects in collaboration with civil society organizations that are members of the **Açık Açık platform**. In 2021, we received the “**Most Successful Volunteering Program**” award from the **Private Sector Volunteers Association (ÖSGD)**.

Following the pandemic, we focused on e-volunteering projects. With **AbilityPool**, our volunteer management platform, we maintain our corporate volunteering approach in a more effective and systematic way.

23

Volunteer Impact
Research, Deloitte,
2021

Occupational Health and Safety

We consider the management of occupational health and safety (OHS) risks as an extremely important process in which we are responsible for reducing the risks our employees are exposed to during their work activities. At Zorlu Holding, we identify, monitor and evaluate OHS risks and opportunities at every step of the way. As a group of companies engaged in production in different sectors ranging from textiles to consumer electronics and white goods, energy, real estate, mining and metallurgy, we are faced with various OHS risks. Our operations in the consumer durables and energy sectors pose higher OHS risks.

We are committed to providing a safe working environment for all employees. Our OHS management approach is based on identifying OHS priorities at Zorlu Group companies, creating a sustainable safety culture and spreading zero-accident awareness among all employees. Our targets of zero accidents

and zero occupational diseases stand out as the two most important priorities. As a result of the OHS activities we carried out in this direction, **there were no fatal accidents in our companies in 2021.**

We offer a work environment that complies with relevant legislation, especially the OHS legislation. Zorlu OHS standards guide our companies. We raise awareness in our human resources so as to provide and maintain a safe and healthy workplace for our employees and business partners. We are working to prevent occupational accidents and occupational diseases by making occupational health and safety a corporate culture. We conduct **OHS trainings** to this end. At Zorlu Holding and across the Group companies, we provided **8.2 hours of OHS trainings per employee on average in 2021.**



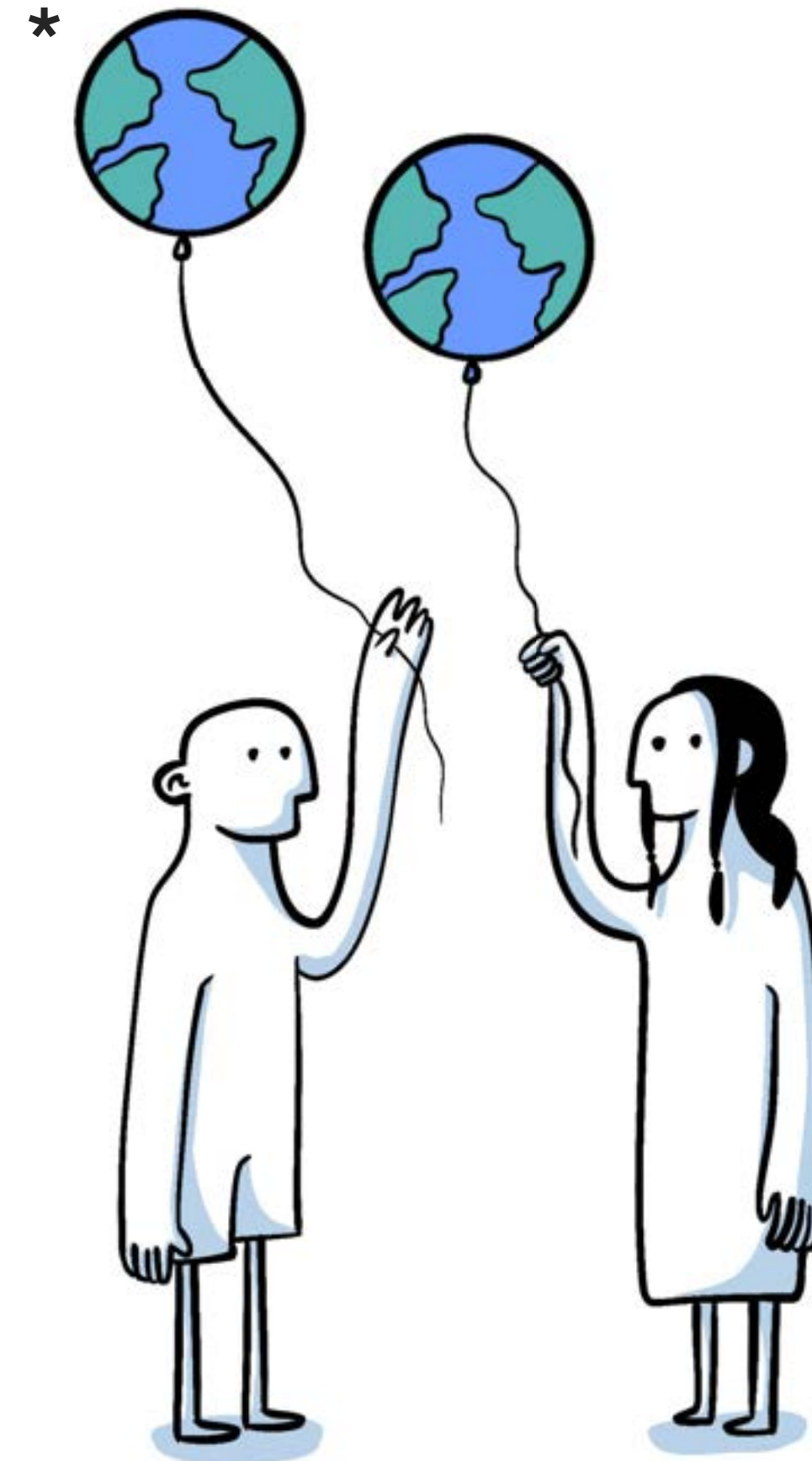


Community Relations

Community Relations

In recent years, we have witnessed a major transformation due to the impact of global crises. The contribution of the private sector to this transformation, which is shaped with a focus on environment, social, governance and economy, and its leadership in this sense play a very important role.²⁴ Now more than ever, the world needs to come together and collaborate on global responses.²⁵ As the **social responsibility** (CSR) efforts of companies have become more important and visible in the last decade, they have started to improve the externalities they create in ESG issues with the policies and practices they have implemented on the CSR axis.²⁶ Today, we know that stakeholder capitalism is strongly linked to value creation. For example, for products of equal quality and price, 80% of customers prefer brands that are more aligned with their values.²⁷ Moreover, focusing on ESG issues has become a way for companies to operationalize the concept of stakeholder capitalism, and the rise of ESG issues is indicative of a profound shift in how companies perceive themselves, their purpose and their role in society.²⁸

Guided by our **Smart Life 2030** strategy, we are strengthening our purpose-driven responsible investment holding structure every day and adopting a social benefit- and value-oriented business model. We are also **committed to allocating 1% of EBITDA to efforts to contribute to the UN SDGs by 2030**. We create human-oriented ecosystems that care for the welfare of all our stakeholders; we adopt the approach of a responsible investment holding 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.



24 Reflections from COP26: What CEOs need to know for 2022 and beyond, McKinsey, 2021

25 Davos Agenda: What can we expect of 2022? Highlights and key takeaways, WEF, 2022

26 The Business Benefits of Corporate Social Responsibility Impact Assessments, Forbes, 2022

27 Putting stakeholder capitalism into practice, McKinsey, 2022

28 Stakeholder Capitalism: Challenges and Opportunities For Big Law, Forbes, 2022

We leverage innovation to benefit and strengthen our social impact. We transform the entire value chain from design to production in different sectors in which we operate with our Group, our companies and our stakeholders, with a focus on innovation. By analyzing the needs and expectations of our stakeholders, we identify our areas of social benefit and responsibility that will directly contribute to sustainable development. **Social innovation, entrepreneurship, quality education, reducing inequalities, gender equality, creative industries, culture and arts, sustainable cities and communities are our focal areas of social benefit and responsibility.** By measuring the impact of the social responsibility projects we implement, we spread the culture of value creation that focuses on development and change at the social level.

We are aware that a collaborative and participatory company culture plays an important role in developing innovative ideas. With the contribution of our internal and external stakeholders, we contribute to the solution of today's problems through strategic collaborations and partnerships based on social benefit and social transformation.

Through **Mehmet Zorlu Foundation**, 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. We see teachers as leaders who move society forward, and we support the **Education Reform Initiative**, which works for the

development of the next generation and society, and the **Teacher Network**, which seeks to support and empower teachers. In this way, we contribute to improving the quality of education in schools.

We believe that social entrepreneurship brings innovative and sustainable solutions to social problems. With **imece**, the social innovation platform we co-founded, we are advancing the social entrepreneurship and impact ecosystem in Turkey.

With **Zorlu Performing Arts Center (Zorlu PSM)**, we diversify culture and arts activities to include all segments of society and make them accessible.

With **Digilogue**, we encourage the development of technology and creativity-based thinking in society and encourage deeper reflection on everything we can associate with digitalization.

In 2021, we supported the project of the **World Wildlife Fund (WWF-Turkey)** to lease a fire helicopter in order to contribute to the efforts to combat forest fires in different regions of Turkey. We also supported the **TEMA Foundation's** afforestation campaign on behalf of all our colleagues by donating **33,000** saplings as part of our post-fire rehabilitation efforts.



Mehmet Zorlu Foundation (MZF)

Since 1999, Mehmet Zorlu Foundation has been working to raise self-confident and hopeful generations with a vivid imagination. To this end, we have engaged in works to create social value through activities in **education, health, sports and culture-art**.

With Mehmet Zorlu Foundation'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 provide long-term contribution to our scholarship recipients, **40% of whom are primary and high school students and 60% of whom are university students**, and continue our support until they graduate based on their success and needs. In this context, we have provided scholarship support to more than **26 thousand students** to date, including the 2020-2021 academic year.

Through our foundation, we offer medicine, medical product and material aid to people in need, and deliver necessary materials to disaster zones in case of disasters such as earthquakes and floods in Turkey as well as the various regions of the world. In addition, we support institutions such as the **Education Volunteers Foundation of Turkey, the Mother Child Education Foundation, Koruncuk Foundation, the Foundation for the Support of Women's Work, the Laughter Heals Association, and the Six Dots Association for the Blind**.

Through **Zorlu Children's Theater**, we unite children with culture and arts all over Turkey with the goal of stimulating their imagination. We have reached over 900,000 children in 18 years at around 2 thousand performances of 14 plays by Zorlu Children's Theater since 2003. As part of the story-writing competition **"One Dream, One Play"**, which allows

children between the ages of 8-12 to bring their dreams to the stage of Zorlu Children's Theater, we published the stories of 15 children in 2020 and 2021, and we made them available to more children by turning them into audiobooks. We adapted the top 10 stories of the competition into a cartoon in 2021 and published it on Zorlu Children's Theater's YouTube channel. In addition, within the scope of the April 23 National Sovereignty and Children's Day events, online workshops were organized in cooperation with **Istanbul Foundation for Culture and Arts (İKSV)**, Alt Kat and Zorlu PSM, where the story **"Bizarre Technological Tales"**, the winner of the competition, was read and interpreted.

We organized a workshop with **Koç University Social Impact Forum (KUSİF)** to increase the social impact of the "One Dream, One Play" project, and performed activities to identify the areas for improvement within the project and to amplify its impact.

In 2022, with Zorlu Children's Theater, we reached 5,283 people with a total of 19 performances throughout the season with the play **"Funfair Planet"**.

MZF-MEF YetGen 21st Century Competencies Education Program

With the impact of global megatrends and the global crises in recent years, companies and organizations continue to transform, and the skills that companies and organizations need continue to change. Research reveals that companies have difficulty in finding the talented workforce they need due to the **"talent gap"** emerging due to these megatrends. We act as partners **with MEF University for MZF-MEF YetGen 21st Century Competencies Education Program** in order to enable young people to adapt to the requirements of the age we live in and to acquire the life skills and adaptation competencies required for the 21st century. Within the framework of the program executed under the leadership of MEF University Vice President and YetGen Founder Prof. Dr. Erhan Erkut, we support young people not only through academic, technical and professional knowledge,

but also with 21st century skills and competencies. Under MZF-MEF YetGen 21st Century Competencies Education Program, we support young people through courses such as **Presentation Techniques and Teamwork, Transition to Algorithmic Thinking, Excel, Career Planning, Forms of Literacy in the 21st Century, Technology Literacy, Self-Development, Sustainability and Social Innovation, and Transition to the Business World**. With the Youth Summit organized at the end of the program, we bring together experts and opinion leaders in Turkey with young people, aiming to inspire them. In order to increase the accessibility of the program, we make the trainings available to young people in different regions of Turkey via live broadcast. As of 2021, the number of high school and university students graduating from the program has reached **5 thousand**.

As Zorlu Holding, we believe it is critical to measure the impact of the change created in order to improve the programs we implement. In light of this assessment's outcomes and the feedback of all our stakeholders including the students in particular, we review the program design and develop activities that will further enhance the impact created. Within the framework of the evaluation we conducted with **Koç University Social Impact Forum**, as a result of interviews, surveys and focus groups conducted with students who graduated from the program in 2020, we observed that MZF scholarship recipients have increased the level of knowledge and skills they need in the business world and in finding a job within the scope of 21st Century Competencies and that they feel more prepared for the business world. With the program, we will continue to support and accompany young people through competencies such as **information, technology, financial and digital literacy**, as well as personal development issues such as mindfulness, stress management and healthy living. In the near future, we aim to make the MZF-MEF YetGen 21st Century Competencies Training Program available for participation of teachers.

Education Reform Initiative

As part of the activities of Mehmet Zorlu Foundation, which works with the mission of making quality education accessible and sustainable, we have been supporting the Education Reform Initiative (ERG), which has been working with the goal of “**Quality education for all**” since 2011. Established with the initiative of Sabancı University and considered as one of the best education policy think-tanks of the world, the ERG is performing its activities with **Education Observatory and Education Laboratory** units.

The Education Observatory annually shares its Education Monitoring Reports through which it monitors the developments in the field of education and offers policy recommendations, striving to improve the education system and inform decision-making processes with data. The Education Laboratory, on the other hand, brings together individuals, institutions and organizations from various fields of expertise in order to create a common mindset of different perspectives, and annually organizes the **Good Practices in Education Conference** to increase good examples in education through exchange.

The **2021 Education Monitoring Report** on Educational Settings is available [here](#).



Teachers' Network

We believe that quality education and successful students who love to learn depend on teachers, and we support the **Teacher Network** led by the **Education Reform Initiative. Mother Child Education Foundation, Aydın Doğan Foundation, Enka Foundation, Mehmet Zorlu Foundation, Sabancı Foundation and Vehbi Koç Foundation** are among the main supporters of the Teachers' Network, an exchange and cooperation network where teachers get stronger personally and professionally by coming together with their colleagues and individuals and institutions from various disciplines.

Teachers' Network develops solutions to teachers' needs '**together with teachers, not on behalf of teachers**' and brings together the resources needed in the field of education with a community approach. With MZF, we have reached **473 Change Ambassador teachers** from **45** different cities, **more than 40 thousand participants** from 81 provinces with **more than 300** stakeholder individuals and institutions, in direct cooperation with 282 stakeholders, through **more than 500** events and meetings through face-to-face and online channels, and more than 100 thousand students through ongoing efforts 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.

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 collaborations that contribute to the development of the social innovation ecosystem in Turkey. We started our journey with the question “**How can we find innovative and sustainable solutions to social issues together?**” and as Zorlu Holding, we are among the founders of the social innovation platform **imece**. We believe in the power of generating solutions through the imece platform, where people and institutions creating the change meet and work together to find solutions to social, ecological and cultural issues. **We develop the capacities of young people and social entrepreneurs with training, mentoring, communication networks, and contribute to the process of triggering a systemic transformation through the content and communities created.**

In the 2017-2019 period, imece’s incubation program supported **43 social startups** focusing on the themes “**Quality Education**”, “**Gender Equality**” and “**Reduction of Inequalities**” under imece Support Program intended for social startups. Bringing together social startups with resources such as grants, comprehensive mentoring and trainings, the program offered opportunities for startups to access local and global networks, beneficiaries and customers.

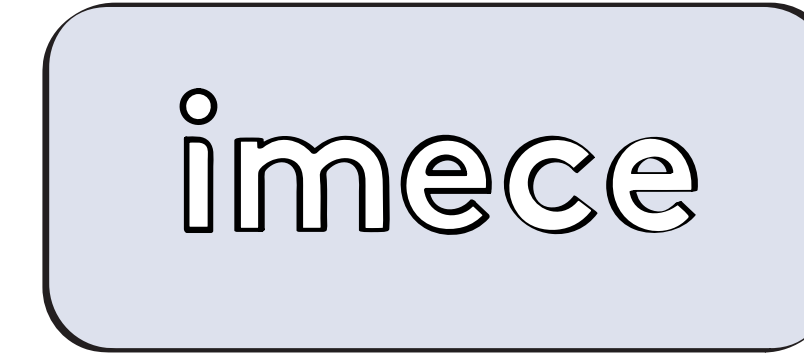
Combining the learning of the first 3 years with the growth of the ecosystem, imece transformed its support program into an impact accelerator in 2020. Focusing on quality education and circular economy,

the impact acceleration program “**imece impact**” aims to accelerate **seven** social startups, which generate social and ecological benefit and are in the growth stage, and to make their social impact visible. AnadOlive, BPREG Natural Fiber Composites and Laska working with a focus on circular economy and Kodris, Manibux, The Academy and Tospaa working with a focus on quality education were selected for the program. The program, of which Zorlu Holding was the main partner, was completed in 2021 and the impact reports of the startups were published.

Details about the program and the impact reports can be found [here](#).

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 for young people with its interdisciplinary mentor network.

You can find out more about imeceLAB’s collaborations and programs in 2021 [here](#).



We hosted the imece summit: Future Impact Summit .

imece summit: The Future Impact Summit was organized by imece and hosted by Zorlu Holding, with the content and network partnership of **ATÖLYE, B Lab Europe, BMW Foundation, S360, Social Innovation Exchange (SIX), session partnership of Açık Açık, Ashoka Turkey, Impact Hub İstanbul, İstasyonTEDÜ, KUSIF, Mikado, NOW Partners, SDGIA, TSGA and UNDP Accelerator Labs**, and was curated by **De-Coder**. The summit, which we organized digitally around the themes of “**Communities for Impact**”, “**Leadership for Impact**”, “**Finance for Impact**”, “**Organizations for Impact**” and “**Business for Impact**”, was observed by 3,009 people, including participants from the private sector, civil society, entrepreneurship, academia and students. At the **Future Impact Summit**, we act with the awareness of the responsibility of the business world as well as all stakeholders to increase the social impact created. We believe that imece summit, where we bring the steps taken to be “**future-compatible**” in the private sector to the agenda and come together with the transformation ambassadors in the sector, creates space for the business world to become a stakeholder in dialogues focusing on the issues of the new world and to sign radical collaborations.

You can access the report, which includes the outputs and insights of all panels and speeches at the summit, [here](#).

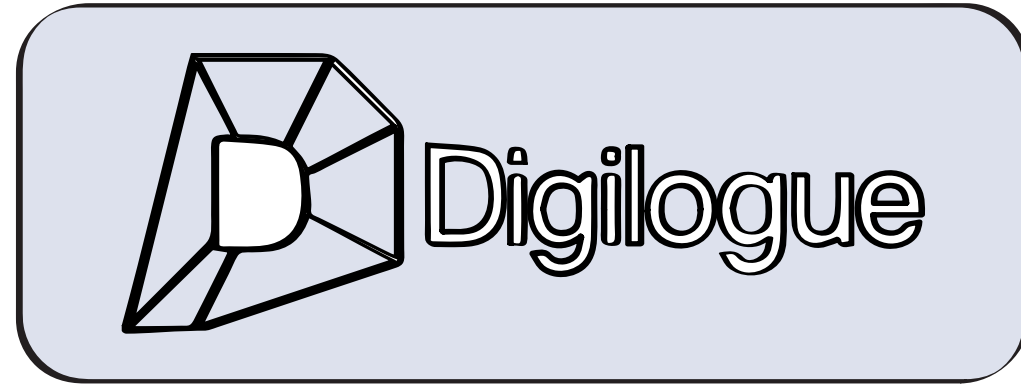
Eşit Bi'Hayat (An Equal Life)

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. We have been a signatory to the **United Nations Women's Empowerment Principles** since 2015. 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. Our **Eşit Bi'Hayat (An Equal Life) Manifesto** encompassing our commitments to creating an inclusive and diverse corporate culture and taking another step towards achieving equality throughout society, especially in the business world is available [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.





Digilogue

Through Zorlu Performance Arts Center, we support technology and creativity-oriented thinking and production with the **Digilogue** platform under which we act as the coordinator. Among the goals of the Digilogue platform are to raise curiosity about digitalization, ask questions and develop interdisciplinary dialogue. We bring together professionals of the creative industry at Digilogue, which encourages individuals to think, interpret and represent **art, history, architecture, fashion, cinema, and global issues, such as the climate crisis**, with digital possibilities. We are organizing Digilogue panels and summits to bring together opinion leaders who develop new approaches to the future of art and technology, and those who are engaged in research and production. We also coordinate exhibitions and projects that make digital transformation of art visible and real by utilizing advanced techniques.

We published the **Social Transformation and Creative Industries Report** as a joint output of **Future Tellers 2020** and the webinars we have been organizing since 2017, where creative industry professionals discuss the future of art and technology and the post-pandemic times.

The **Social Transformation and Creative Industries Report** can be found [here](#).

As Digilogue, we started to create our own newsletter series through the **Aposto platform**. With the 11 newsletters we published, we reached 1,206 readers and currently have 416 members.

We published the podcast series “**Created with Technology**” consisting of 10 episodes moderated by **Can Remzi Ergen** with figures from various disciplines who integrate today’s technologies into their own practices.

Digilogue and SALT’s “**New Narratives of Data**” series explored the new possibilities that technology offers for digital archiving based on current approaches and systems. **Gene Kogan** and **Clever Franke** discussed the **artistic discoveries and data narratives arising from the combination of AI and crypto** in a YouTube live stream.

With the **Voice Notes** series, which we started with the theme of Climate Crisis and Technology, we published a series by asking questions to experts. We had **231,200** views on Instagram with the series featuring people’s own voices and images.

Sónar Istanbul

Sónar Istanbul, which consists of audio-visual shows that blend music, creativity and technology, brought new media artists to the audience at **Sónar Screen** in 2021.

Through **Sónar+D**, the creativity and technology platform of Sónar Istanbul, a total of **6** panels, **2** installations, **2** performances, **5** live Sónar Screen shows were held with **45** artists. **Heleen Blanken's** data-driven projection **Installation: Habitat by Heleen Blanken** was exhibited at **PSM Sky Lounge** for a period of one month with the support of **Digilogue**.

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.

With the “**We Channel Our Energy to Education**” project, Zorlu Energy Group provides scholarship support to successful university students with limited financial means living in regions where it is engaged in electricity generation, and has been meeting the energy needs of the **Tohum Autism Foundation** since 2013 with the “**We Channel Our Energy to the Education of Children with Autism**” project.

The **Steptember project**, which Zorlu Holding has been supporting since 2016, contributes to the treatment and education processes of spastic children.

Vestel Group

Developing future-oriented social projects centering on the environment and people, **Vestel** implemented projects to benefit the society, especially disadvantaged groups, in 2021. Undertaking projects for animals in need of help and care, Vestel designs walkers from the parts of household appliances that have reached the end of their useful life under the “**Walker**” project.

In the 2018-2021 period, **Vestel Beyaz Eşya** produced and donated a total of 28 walkers for disabled animals. Within the scope of the “**Women Technicians Training**” project, which aims to contribute to women's employment, 58 female technician candidates successfully completed applied technical trainings and 34 of them started working in the field. Considering support for sports among its main responsibilities, Vestel became the “**Main Sponsor of Women's Volleyball National Teams**” and the “**Official Sponsor of Men's**

Volleyball National Teams” in 2020. It also continues to support many different branches of sports such as diving, handball and e-sports. We continue to support the development of volleyball in Turkey and increase interest in volleyball through communication campaigns such as “**We Are A Country of Volleyball**” launched in 2021.

Vestel's **Women Technicians Training Project**, which broke new ground in the major household appliances industry, received the **Silver Award** in the “**Development Program Generating Social Contribution**” category at the 2021 **Turkish Education and Development Platform (TEGEP) Learning and Development Awards**.

Zorlu Real Estate

In line with the concept of inclusion, which is a prerequisite for creating sustainable towns and cities, **Zorlu Real Estate** makes sure that its real estate activities are accessible by everyone.

Organizing a social media campaign with the motto “**We are Committed to the Love of Education!**” in cooperation with **TOÇEV** in 2021, Zorlu Real Estate ensured the participation of more than 40 thousand individuals and offered financial support to the association.

The “**No Barriers at Zorlu**” project aimed to transform Zorlu Center into a barrier-free living space, while the “**Blue Light for Autism**” campaign helped raise awareness on autism by turning all the lights of **Zorlu Center** blue. Throughout October, the breast cancer awareness month, many events were hosted including **Memorial Breast Cancer Awareness Talks**, yoga activities, mirror positioning and turning the light of Zorlu Center to pink to increase the impact of awareness efforts.

Zorlu Real Estate continues to create awareness by offering new stories and experiences with schemes that reflect its sustainability perspective. **Eco Love Fest** was launched to support local and entrepreneurial brands that care about issues such as art, upcycling and recycling, efficient use of resources, raising environmental awareness, the climate crisis and making sustainability a business principle. Zorlu Real Estate brought together brands and visitors that create change in sustainability at Zorlu Center. Zorlu Real Estate plans to expand the scope of **Eco Love Fest**, which has

reached more than 16 million people and now has a registered name thanks to all communication efforts, and to organize it every year by enriching it even further with content that includes ecological workshops, sustainability talks with experts, ecological workshops for children and adults, and inspiring documentaries from the **Life Film Festival** selection.

No Barriers at Zorlu

At Zorlu Holding, we take care to ensure that our activities are accessible to everyone so that every segment of society can benefit equally from the opportunities created by sustainable development. Recognizing that accessibility is a right, we increase the physical accessibility of our spaces. To this end, we aim to create a barrier-free living space at Zorlu Center with “**No Barriers at Zorlu**” project. In 2017, we started our cooperation with the Guide Dogs Association, which is the first and only one association in this area in Turkey, and the No Barriers at Zorlu project, with the goal of turning Zorlu Center into a barrier-free living space. As we continued to expand our scope of cooperation and support, we provided sign language training to employees in all food and beverage areas at Zorlu Center.

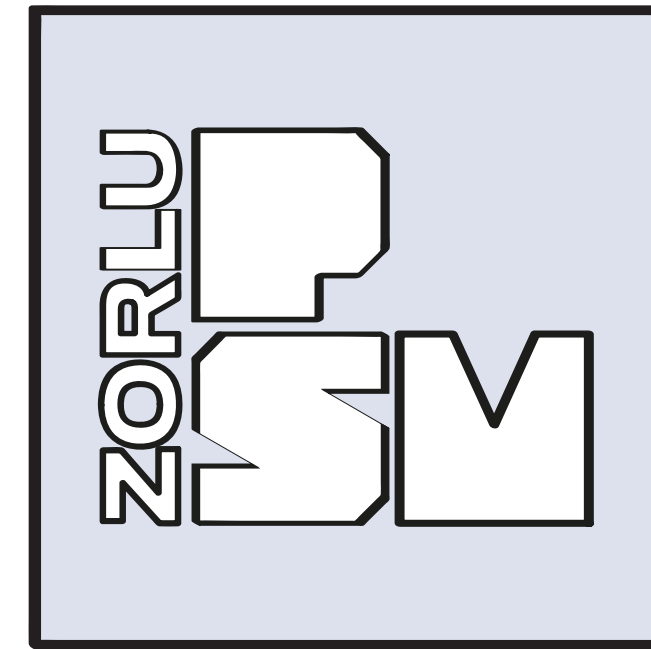
With the support of the **Turkish Association for the Visually Impaired (TURGED)**, we prepared the menus of all restaurants in a way to include the **BRILLE alphabet**. Thanks to the **Yol Arkadaşım AVM** feature on the **Hayal Ortağım** application brought to life by **Turkcell and Young Guru Academy (YGA)**, we help 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 places around them. We made accessible **Amfi Pub, Cheers and the jazz club touché** for visually-impaired individuals through **Blindlook** selected under the 3rd Support Program of imece in order to ensure that visually-impaired guests can have a comfortable experience both at concerts and in the dining areas within Zorlu PSM. With its “**No Barriers at Zorlu**” project, Zorlu Center was deemed worthy by the International Council of Shopping Centers of the “**Social Support**” Award in Europe and the “**ICSC Foundation Albert Sussman**” Award across the world. With the prizes won, the association received USD 25,000 in financial support.



Zorlu Performing Arts Center

Zorlu Performing Arts Center (PSM) is the meeting point for culture, art and entertainment life with festivals, Broadway musicals, concerts by local and foreign musicians and theater plays. Organizing events for each segment of the society and serving as a unique intercultural bridge between the East and the West, Zorlu PSM has hosted **more than 5 million art enthusiasts** to date.

My Last Minute Seat practice, implemented by Zorlu PSM by asking for the ideas of young people, aims to create social benefits by increasing access to events and inclusiveness. This practice allows customers to reserve no-show seats for students in return for a donation of TL 1 to the **Community Volunteers Foundation (TOGEV)**. **More than 20,000 students** have benefited from the application so far.





Regenerative Business Models

Regenerative Business Models

We are preparing for the future, based on a regenerative business model approach encompassing the climate crisis and circular economy. While the negative impacts of the climate crisis are increasing rapidly, the **6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)** reveals that some of the impacts of the climate crisis will not be reversible in the short term. The impacts of the human-induced climate crisis, which are already being felt in many parts of the world and in all systems, including the atmosphere, oceans and glaciers, are described as unprecedented. With global warming reaching 1.1°C, the world is seeing more clearly than ever the devastating consequences of delaying climate action.²⁹

The climate crisis and environmental pollution are negatively affecting natural life and deepening social problems. An increasing number of people are forced to migrate every year for a variety of reasons, including **water scarcity, extreme weather events and agricultural degradation**. According to assessments, by 2050, **one in every 45 people** in the world will have to relocate due to the climate crisis and the number of people who have migrated will reach **200 million**.³⁰

In the aftermath of the recent crises, social and economic recovery requires the efficient use of ecological resources. Yet we use 75% more natural resources than ecosystems can replenish and consume far more than we need to.³¹ In today's world, where the actions taken in the fight against the climate crisis prove to be insufficient, environmental pollution is increasing rapidly and extreme weather events are becoming more frequent, it is necessary to develop regenerative business models inspired by nature to increase the resilience of the business world. Responding to the needs of the society by establishing sustainable systems in harmony with nature, and adopting self-regenerative business models that minimize the use of resources for basic input such as energy and raw materials remain on the top of the agenda. Bringing along an environmental, social and governance-based transformation, these business models will pave the way for companies to transform their operations and entire value chains, through which the society and the natural environment are taken into consideration, and the components of value and inclusion are supported.

*Illustrated by Eren Boz for Zorlu Holding Sustainability Report.



REGENERATIVE BUSINESS MODELS **

- **Net zero emissions** in Scope 1-2 by 2030 and across the entire value chain (Scope 1-2-3) by 2050.
- Reducing waste by 50% by 2030 and reaching **zero waste** by 2050
- Recovering 50% of the water used by 2030 and all of it by 2050

29
Sixth Assessment Report (IPCC), 2021

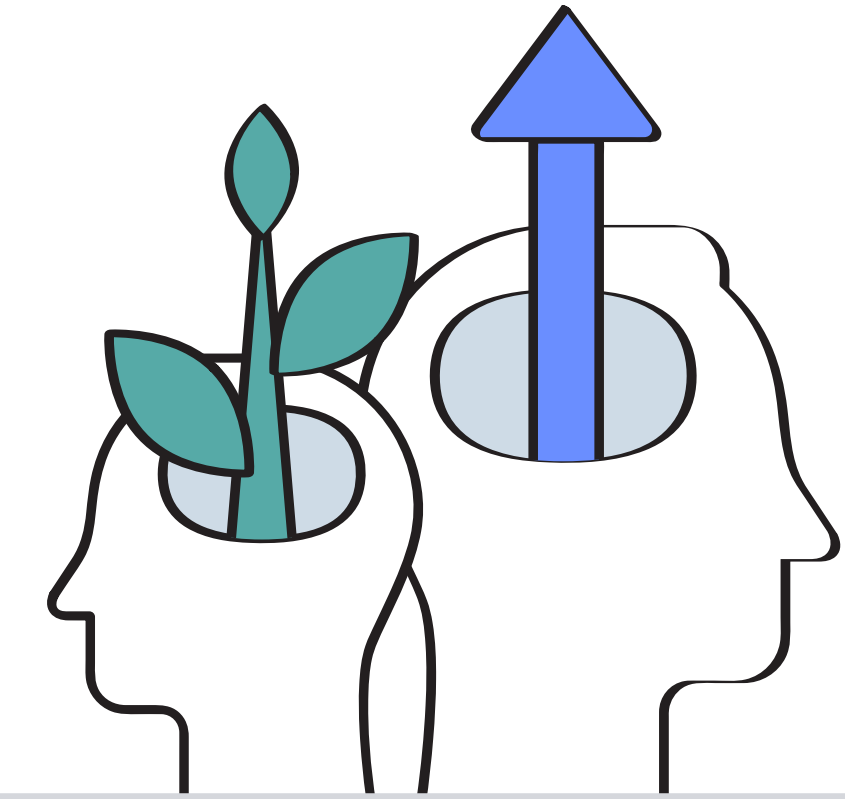
30
Groundswell Part 2: Acting on Internal Climate Migration, World Bank, 2021

31
WWF Dünya Limit Aşım Günü Uyarısı, 2022

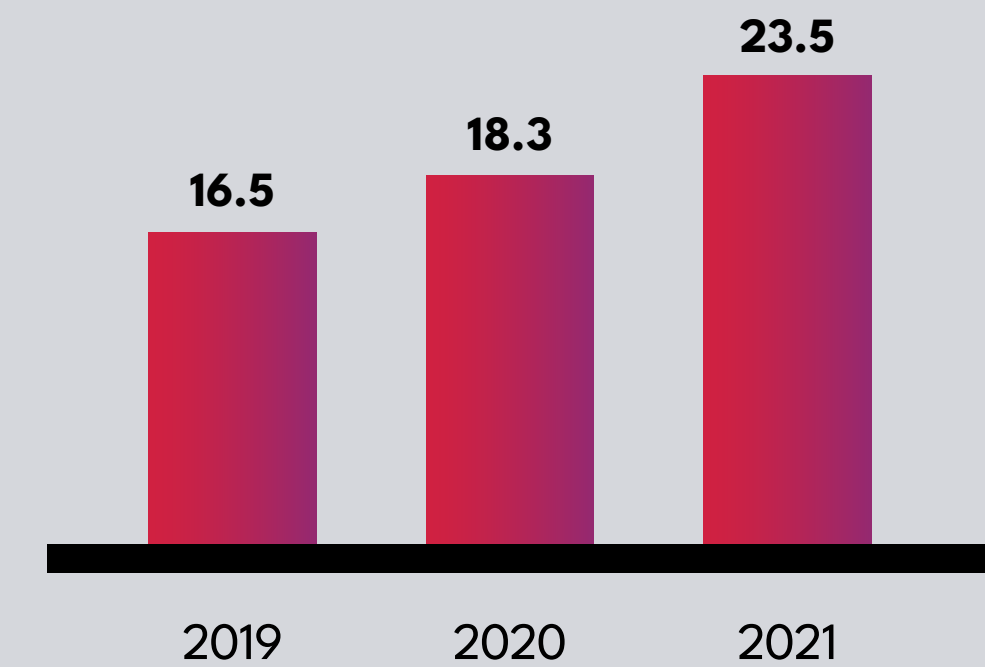
**
Click [here](#) to see sectoral performances for targets.



| Company | ISO 14001 Environmental Management System | ISO 50001 Energy Management System | ISO 14064 Greenhouse Gas Inventory Standard | ISO 14046 Water Footprint Standard |
|----------------------|---|--|---|--|
| Zorlu Enerji | ✓ | — | ✓ | ✓ |
| Vestel Beyaz Eşya | ✓ | ✓ | ✓ | ✓ |
| Vestel Elektronik | ✓ | ✓ | ✓ | ✓ |
| Zorlu Textiles Group | ✓ | ✓ | ✓ | — |
| Korteks | ✓ | — | ✓ | — |
| Meta Nikel | ✓ | — | — | — |



Environmental Investments and
Expenditures by Year
(TL million)



While we are preparing for the future based on a regenerative business model approach encompassing the climate crisis and circular economy, we also transform our society and ecosystem thanks to this model involving all our stakeholders and creating common value for them. We position this mentality, which we mainstream within all of our group companies, as the basic principle in all our investment decisions.

In environmental management, we refer to international standards as a guide, follow our performance with targets, and strive to disseminate best practices. In addition to **sustainability and integrated annual reports**, our Group companies also transparently share their performance through the **Carbon Disclosure Project (CDP)**. As the first energy company to participate in CDP, **Zorlu Enerji** reports its governance structure, risks and opportunities, corporate strategies and targets regarding climate change and water security

every year. **Vestel Elektronik and Vestel Beyaz Eşya** also respond to climate change and water security programs.

The number of enterprises/factories covered by **ISO 14001** certification across the Holding and Group companies is 42 (75%), while the business/factories covered by the **ISO 14064** and **ISO 50001** certificates is 17 (30%) and 20 (36%) respectively.

As Zorlu Holding, we increase our environmental investments and expenditures every year. We increased our expenditures in 2021 by **28%** year-on-year, investing approximately **TL 23.5 million**. In addition to the expenditures and investments, no criminal sanction was imposed in this area in 2021.

Combating the Climate Crisis

According to the **Global Risks Report 2022** published by the **World Economic Forum**, the most significant and long-term risks are linked to climate risks.³²

Commitments made at the 2021 United Nations Climate Change Conference (COP26) are still not seen as sufficient to achieve the 1.5°C target. The losses and damages caused by the climate crisis are projected to expose communities and the world to irreversible risks beyond the limits of their ability to adapt.

The damage caused to the world by the climate crisis is far more serious than previously realized. Extreme weather events such as climate crisis, fires, floods and droughts put severe pressure on natural resources, deepen environmental, economic and social problems, reduce sustainable quality of life, and increase costs by negatively affecting many sectors.

Under current emissions policies and commitments, the global temperature rise is expected to reach around 2.3-2.7°C. This increase needs to be kept below 1.5°C to prevent the destruction that is taking place and to combat the climate crisis.

COP26 negotiations concluded with the countries participating in the summit ratifying the **Glasgow Climate Pact**. More than 45 of these countries committed to phasing out the use of coal in their production processes, while 20 countries committed to ending the international financing of fossil fuels. On the other hand, according to the 16th **Global Carbon Budget Annual Report** published in 2021, land use change and deforestation caused 14.1 billion tons of CO₂ to be released into the atmosphere. In response, 130 countries have made commitments to end deforestation and protect precious natural habitats by 2030.³³



32

Global Risks Report, World Economic Forum (WEF), 2022

33

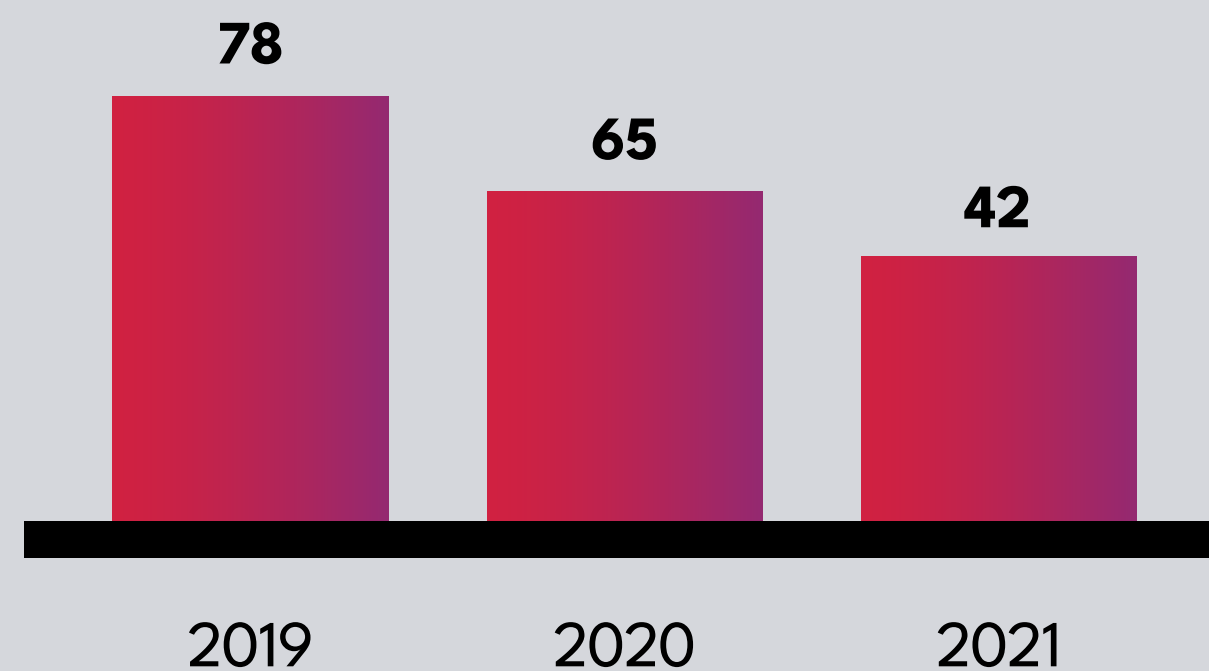
Global Carbon Budget Report, Global Carbon Project (GCP), 2021

As Zorlu Holding, we operate in many different fields from energy to textiles, consumer electronics, mining and real estate. Our group companies and our stakeholders feel the devastating effects of the climate crisis in different ways. As a holding with a wide and diverse portfolio, we adopt innovative business models. While managing the risks and opportunities brought by the climate crisis, we refer to the **European Green Deal** and **SDGs** as a guide and support partnerships established by the public and private sectors. **We take critical steps by investing in innovative, low-carbon technologies, increasing the use of renewable energy, and encouraging our customers to adopt conscious consumption.** We reduce our carbon emissions thanks to innovative energy efficient technologies and process optimizations that we introduce every year. With the practices launched in 2021, we reduced carbon emissions by 200,279 tons. In 2021, total greenhouse gas emissions were measured at 15,797,657 tons CO₂e. Scope 1 and 2 emissions decreased by about 3% year-on-year to 2,081,632 tons CO₂e.

Zorlu Enerji Digital Subscription Services Project

The Digital Subscription Services Project, another first in the sector, allows consumers who receive retail electricity and gas services from Zorlu Enerji to easily perform distance subscription transactions through all transaction channels (customer service centers, e-government, online transactions, call center). Accordingly, 80% of over 250 thousand transactions for electricity subscription services in 2022 are expected to be made through digital channels. As a result of the implementation of digital subscription services, significant gains are achieved in the fight against the climate crisis by saving paper, water and fuel. On the other hand, the calculation of the amount of carbon reduction continues.

Greenhouse Gas Intensity
(MWh/TL Million)



Climate Efforts at Zorlu Holding Companies

In line with its goal of achieving net zero emissions by 2050, Vestel Elektronik is working on a decarbonization plan as part of its commitment to set targets in accordance with the Science-Based Targets initiative (SBTi). To increase renewable power generation, in 2021, a 142 kWp rooftop solar panel was installed at our facility that distributes energy to refrigerator and washing machine factories. Accordingly, the plan is to generate 230 MWh of energy annually and reduce 134 tons of carbon emissions.

Zorlu Enerji supports our country in achieving its low carbon targets, particularly in the areas of electric vehicles, electric vehicle charging stations and electric vehicle rentals.

In parallel with the “Nuclear Standoff Commitment” published in June 2021, Zorlu Enerji once again emphasizes its targets to increase renewable energy investments and states that it will not include nuclear energy projects in its energy generation portfolio.

Energy Management

Decarbonization of energy generation plays a critical role in reducing greenhouse gases, the rate of which is increasing in the atmosphere, as a priority. In order to achieve this, investments in low-carbon energy sources such as renewable energy, nuclear energy and natural gas come to the fore. **According to the International Energy Agency's (IEA) Renewable Energy Market Update Report, renewable energy capacity commissioned globally in 2021 increased by 6% year-on-year to 295 GW (gigawatts).** In 2022, it is expected to reach 320 GW, setting a new record. In addition, it is necessary to boost efficiency with innovative technologies in order to reduce energy intensity. **According to the scenarios created, it is predicted that increasing energy efficiency will reduce greenhouse gas emissions by 40% in the next 2 decades.**³⁴

Energy efficiency and decarbonization of electricity generation play an important role in tackling the climate crisis. To this end, our Holding and Group companies focus on operational efficiency to reduce energy consumption while we also invest in renewables for electricity generation in the energy sector.

Thanks to the energy efficiency activities completed in 2021, **we saved 7,444 MWh of energy.** The annual financial savings generated by the energy savings were measured at **TL 5.5 million.**



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Renewable Energy Market
Update, Outlook for 2022
and 2023

Renewable Electricity Practices at Zorlu Holding and Group Companies

As Zorlu Holding, we started using renewable energy through IREC certification in the last quarter of 2021 at Levent 199, the first A+ office project of this size in Turkey to receive LEED Gold Certification. Zorlu Real Estate and Zorlu Tekstil continue to improve their ESG performance by putting sustainability at the center in line with the Smart Life 2030 strategy. In line with this approach, Zorlu Center and Zorlu Tekstil documented the electrical energy they use with the International Renewable Energy Certificate (I-REC) in cooperation with Zorlu Enerji. This certificate shows that the energy needs of the Zorlu Tekstil Kırklareli Facility, Zorlu Shopping Center, Zorlu PSM and Raffles Istanbul are covered by the green energy generated by Zorlu Enerji at the Alaşehir Geothermal Power Plant. In addition, we minimize the environmental impact of electric vehicles with the clean energy supplied to electric vehicle charging stations at Zorlu Center.

eCharge4Drivers Project

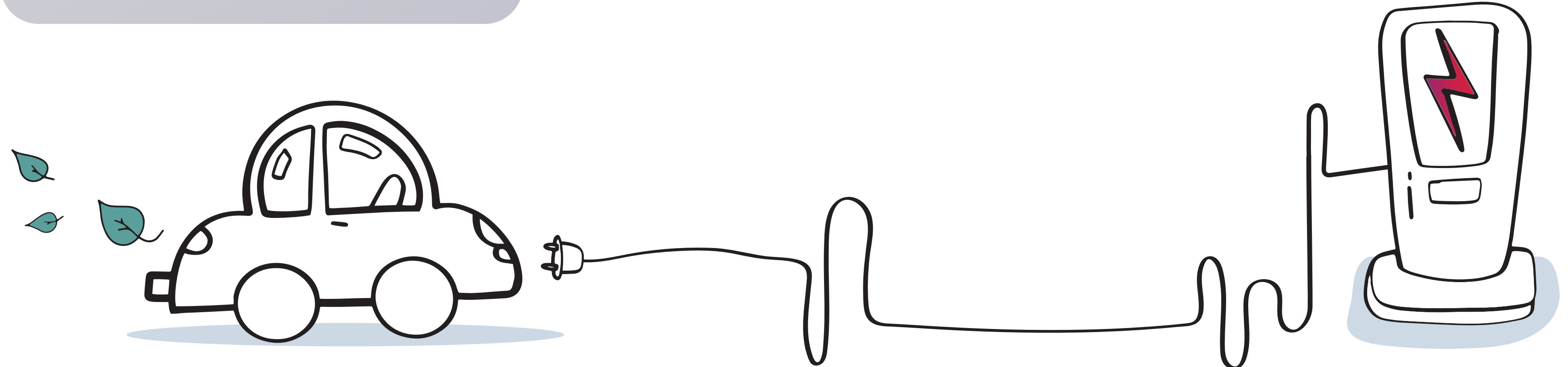
Zorlu Enerji, with its network of electric vehicle charging stations and electrip, an hourly electric vehicle rental platform, is among the partners of the eCharge4Drivers Project launched in Europe for the same purpose. The eCharge4Drivers Project, which aims to significantly improve the electric vehicle charging experience in cities and intercity journeys, aims to develop pilot projects in 10 areas in Europe, including cities and the Trans-European Transport Network, in line with users' expectations regarding charging options, mobility and parking habits.

Zorlu Enerji Montenegro Electric Vehicle Station Network

Under the project tender opened and won by UNDP (United Nations Development Program) for the establishment of an electric vehicle charging station network in different cities of Montenegro, 15 twin-socketed electric vehicle charging stations will be supplied and installed in 13 different cities of Montenegro, in addition to offering support services and application integration services.

Zorlu Enerji Renewable Energy Commitment Letter

With its 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 further diversify and develop its renewable energy portfolio. It continues its investments to accelerate the transition to renewable and carbon-free resources such as geothermal, wind and solar.



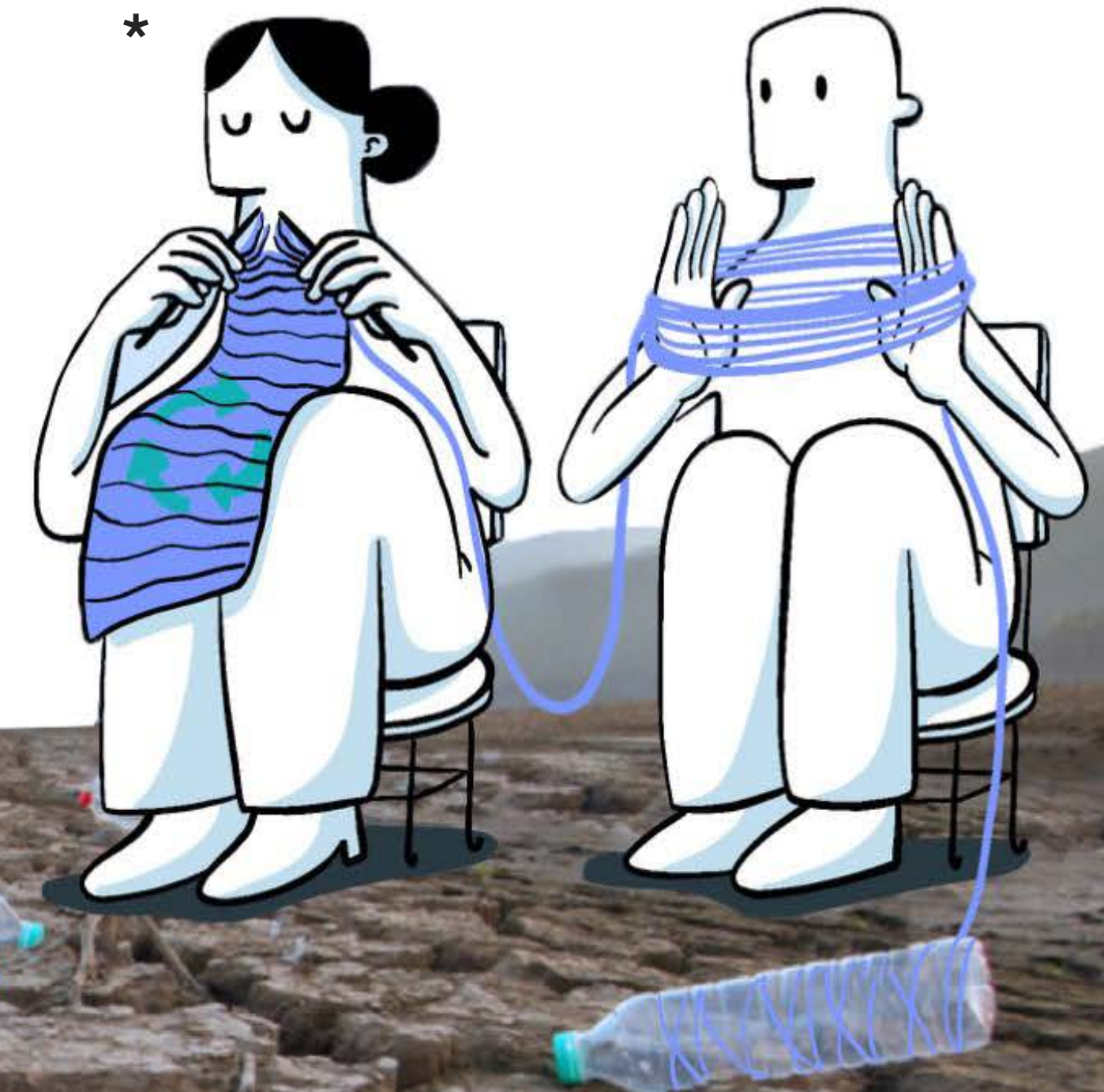
Circular Economy

Climate concerns, increasing pollution and limited resources are putting pressure on linear economy and business models based on the traditional “**produce, use, discard**” principle. For this reason, it is important to produce durable, repairable and easily-recyclable products in order to reduce waste and to bring them back to the economy at the end of their life cycle. In contrast to the linear approach, the circular economy makes economic activities independent of material and energy consumption by creating a cycle in which the amount of waste is minimized or completely eliminated and resources are reused. It is predicted that adding value to waste through regenerative business models will create an annual economic value of USD 600 billion by 2030 within the European Union alone.³⁵ It is important to rapidly adopt an economy approach based on “**produce, use, reuse**” in this field, which has important opportunities for the business world.

Based on the circular economy approach, which is the second pillar of our regenerative business model, we aim to minimize the use of resources during production, design products in a cyclical manner, and transform the economic potential of waste into benefits for the society, the environment and our business. In all our group companies, we protect our natural capital through a regenerative model. By adopting an innovation-based business model, we implement practices that involve our stakeholders, reduce the use of resources and bring waste back into the economy, and respond to the climate crisis. Thus, while managing our environmental impact, we contribute to the establishment of sustainable systems with innovative products and services.

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Growth within: a circular economy vision for a competitive Europe, Ellen MacArthur Foundation



Zero Waste Practices

With the zero waste approach adopted at Vestel Elektronik, 93% of the waste generated by production is recycled or recovered. As a result of these efforts, Vestel was entitled to receive the Zero Waste Certificate in 2021. From a circular economy perspective, some waste bins were made using production-based waste. We also make use of our food remnants under the Zero Waste practice. In 2021, 862 kg of food waste was composted and 450 kg was used in the company's own green areas, while 54 tons of food waste was donated to stray animals.

Zorlu Enerji enterprises received Zero Waste Certificates in 2021. Thanks to the zero-waste practices introduced, a total of 10,345 tons of recyclable waste was brought into the economy by the end of 2021. In addition, work teams were formed at Zorlu Enerji to work on zero waste, and a separate collection system was introduced for the recyclable wastes specified in the regulation. Trainings on waste management in 5 different locations in the Thrace natural gas distribution region (Çerkezköy, Edirne, Kırklareli, Lüleburgaz and Tekirdağ) were completed and the Zero Waste Certificate was received. Kızıldere 3 GPP and Tercan HEPP facilities within Zorlu Enerji also have Zero Waste Certificates.



Natural Resource and Waste Management

The climate crisis and the extreme weather events triggered thereby, the changing production and consumer habits due to socioeconomic development, and the ever-increasing population build up the pressure on all resources. Changing climatic conditions, such as drought and changes in precipitation regimes, adversely affect living creatures, directly resulting in a decrease in water resources. The decrease in water, which is a direct input in agriculture and industrial production, has a negative impact on the entire society, especially on the operational activities of the business world. **Recent modeling by the World Wildlife Fund (WWF) shows that by 2050, 51% of the world's population will face high levels of water risk.**³⁶ Droughts, more pronounced extreme weather events and increased competition for water are deepening the financial impact of water risks. In order to adapt to the emerging climatic conditions, it is necessary to strengthen the existing infrastructure and to increase the resilience of business processes by effectively managing regional water risks.

Millions of tons of waste are generated every year around the world. Waste that is not properly managed or recycled

leaves permanent damage in every area where vital activities are carried out. According to World Bank data, 2.01 billion tons of urban waste is generated annually.

OECD's Global Plastics Outlook Report indicates that the use of plastics will increase nearly threefold by 2060, while waste is expected to exceed one billion tons.³⁷ On the other hand, according to a new study conducted in 2022, the intensity of electronic waste in the world in 2021 reached 57 million tons, and the world's precious metals are significantly reduced due to mining activities.³⁸ The solution to this situation is seen as recycling. Bringing waste back to the economy, which has an important economic potential, especially e-waste, through recycling offers many environmental and social opportunities for the business world.

At Zorlu Holding, we are aware of the fact that rapidly-depleting water and other natural resources must be managed properly. We focus on efficiency and recovery practices to reduce our operational impacts, especially in the mining-metallurgy and energy sectors. In the textile, consumer electronics and household appliances sectors



36 Water Risk Filter Scenarios, World Wildlife Fund (WWF)

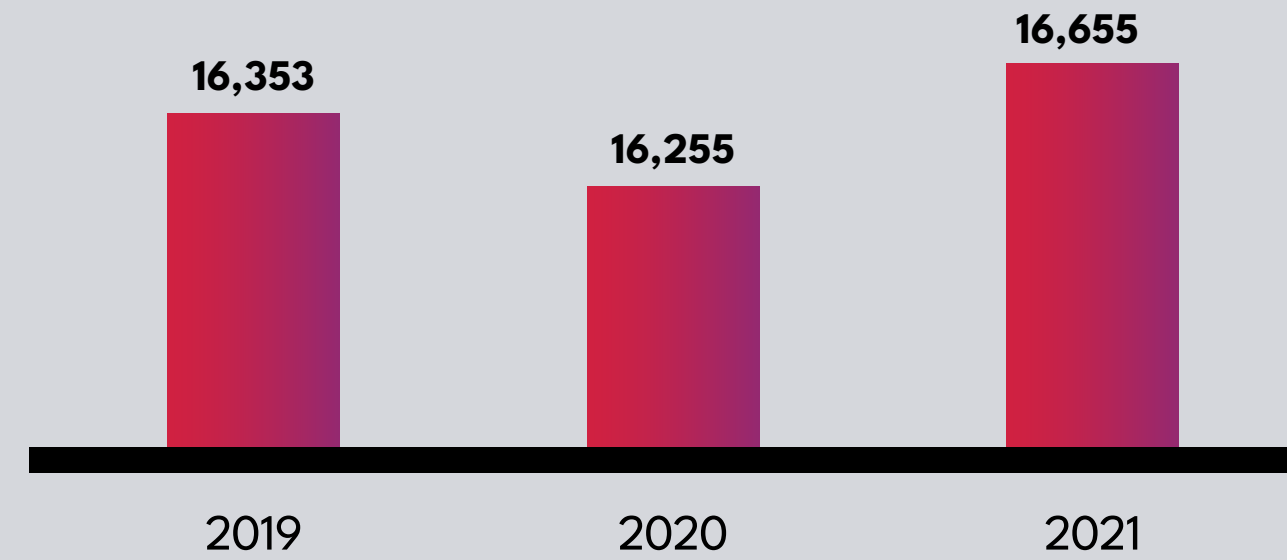
37 Global Plastics Outlook Report, Organization for Economic Cooperation and Development (OECD)

38 Why We Need to Start Recycling Our E-Waste Now, World Economic Forum (WEF)

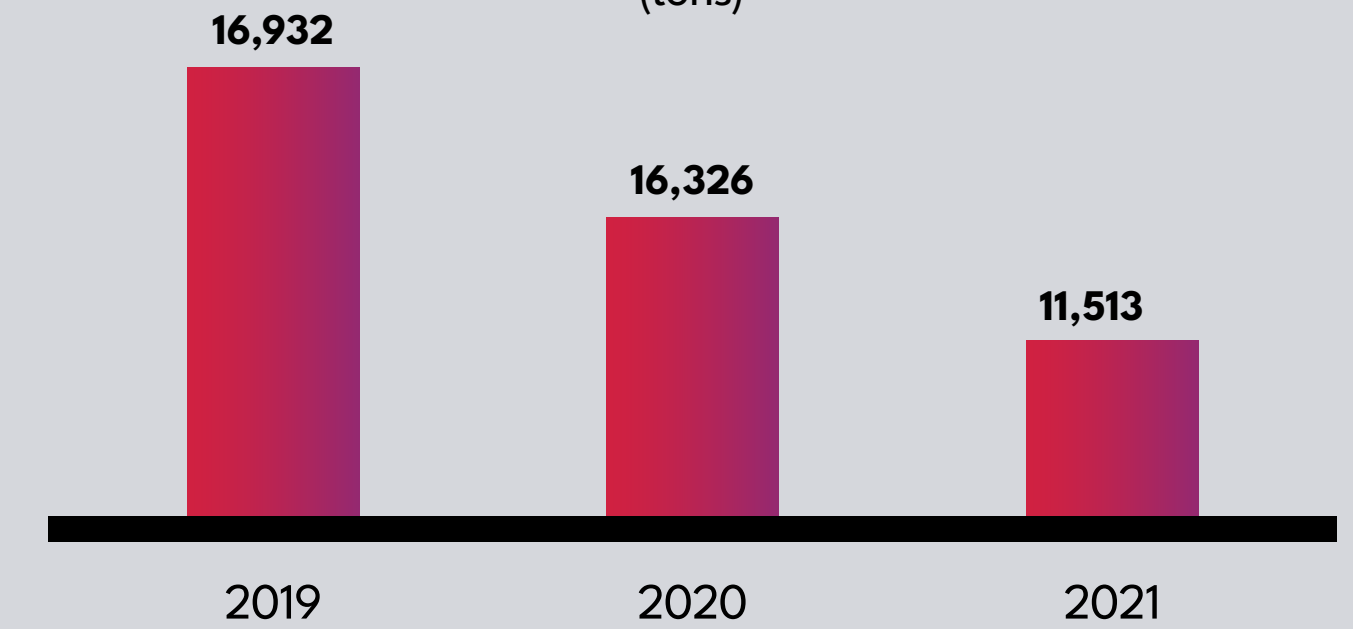
where we touch the lives of customers, we develop pioneering and economical products by using nano technologies, digital, smart and next generation technologies in our products. Thanks to their energy- and water-efficient properties, these products help customers reduce their energy and natural resource consumption. In order to control the environmental impact throughout the production phase, as well as product efficiency performance, we effectively analyze and manage the stages from the design to the recycling process.

In today's world, where environmental pollution, especially plastic pollution, has reached challenging levels in terms of management, we focus on reducing and recycling waste at its source by adopting effective waste management. In addition, we act with the awareness of the financial and environmental benefits to be offered by waste management by switching to cyclical systems and using alternative raw materials, especially in electronic waste. We continue to engage in efforts to become a **zero-waste Holding**.

Amount of Plastic Used in Packaging by Year
(tons)



Paper Used in Packaging
(tons)



Vestel's Waste-Related Activities

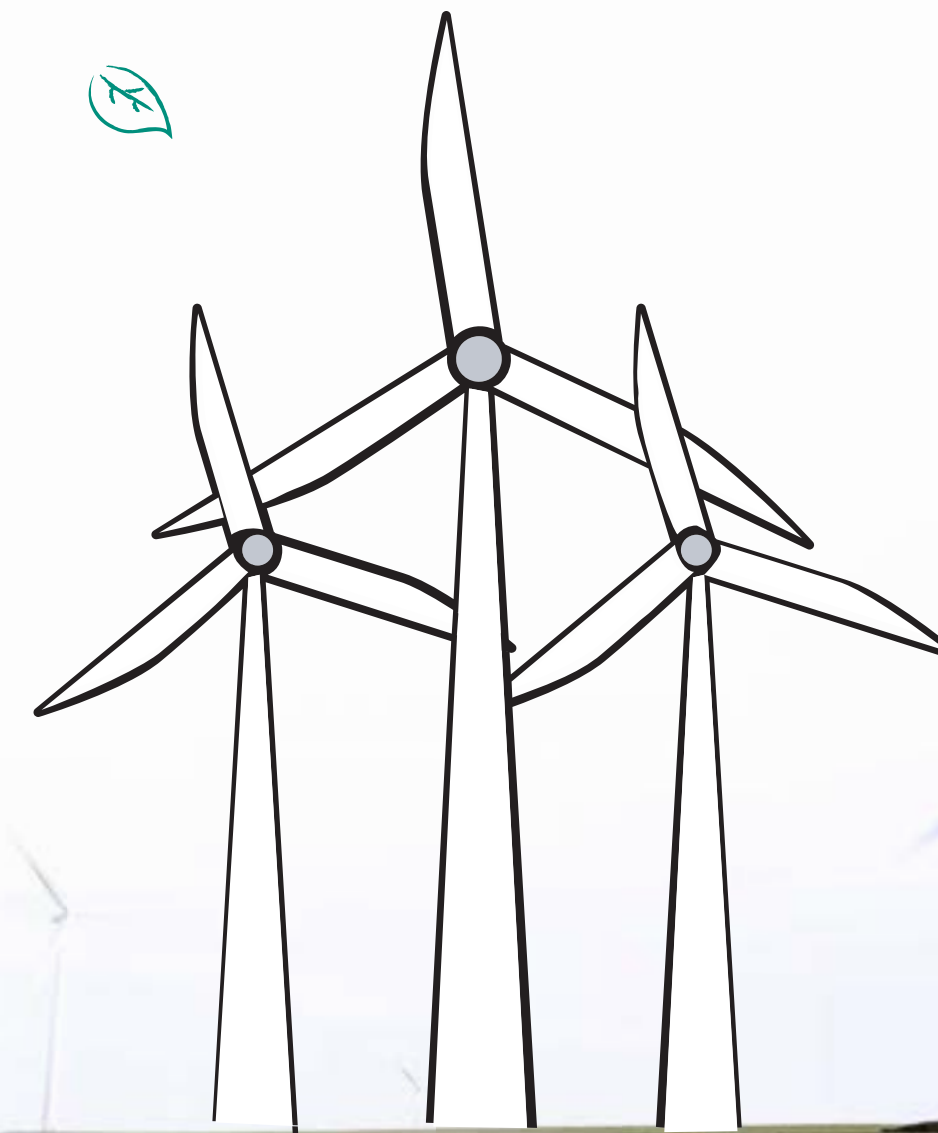
For the first time in Turkey, FSC (Forest Stewardship Council) certified cardboard began to be used in Vestel refrigerators and dishwashers as of 2021. At the same time, 100% recycled and recyclable cardboard began to be used in all Vestel branded white goods product packaging. Similar work for televisions is expected to be completed in 2022.

Vestel Elektronik focuses on the environmental impact of the materials used in its products and manufactures with sustainable materials. Tumble dryers with heat pumps containing bio-plastics are produced, while materials made from olive pits and sugar cane are used in refrigerators to reduce the use of petroleum-based plastic raw materials.

Biodiversity

Biodiversity loss makes species and ecosystems more vulnerable to invasive species and pests. This leads to the extinction of populations and destabilization of the ecosystem. According to the report prepared by the **Food and Agriculture Organization (FAO)**, **the area of forests worldwide decreased by 1 million 780 thousand km² between 1990 and 2020.**³⁹ **Around 1 million animal and plant species are threatened with extinction, most within 10 years, mostly due to human activities.**⁴⁰

The mining and energy sectors in which we operate have significant impacts on biodiversity. In order to effectively manage this impact, we primarily conduct research on flora and fauna. We focus on monitoring and conservation studies after identifying the species within their spheres of influence. While our work for established campuses progresses in this way, we carry out the same work for new investments during the planning stage and take the necessary steps for the protection of ecosystems and species. **Thus, we introduce measures to mitigate environmental risks from the very beginning, and aim to manage our impact on biodiversity and wildlife in the best way possible.**



39

Global Forests Resources Assessment, 2020

40

How did IPBES Estimate '1 Million Species At Risk of Extinction' in #GlobalAssessment Report

Biodiversity and Ecosystem Management System

All of Zorlu Enerji's activities across Turkey are evaluated through both literature and field studies within the scope of the performance standards and requirements of IFC (International Finance Corporation) and EBRD (European Bank for Reconstruction and Development), aiming to protect biodiversity and ensure sustainable management of living natural resources. Recognizing this as a fundamental condition for global sustainability, Zorlu Enerji demonstrates its stance on this issue with its [Biodiversity Conservation Commitment Letter](#).

As part of the work initiated in 2021, literature review studies are ongoing, training activities are planned to be carried out to implement the plans and procedures developed upon completion of field studies in mid-2022, and biodiversity action plans are planned to be monitored and reported through the Zorlu Enerji QDMS system. For İzkidere HEPP, which is classified as a river-type hydroelectric power plant, fish channels are located at the inlet and outlet of the regulator and fish movements are regularly monitored.

Zorlu Enerji aims to generate all of its domestic energy from renewable sources by 2030, and will invest TL 10 million to protect and improve biodiversity.

Zorlu Enerji Zero Carbon Footprint Forests Project

Zorlu Enerji has been calculating its carbon footprint resulting from its operations since 2010 and has engaged in an afforestation program to offset its carbon footprint. Within the scope of the Zero Carbon Footprint Forests Project, Zorlu Enerji continues its efforts to return 1.2 million tons of carbon dioxide to the soil by 2075 with a total of 1.2 million saplings by planting 90 thousand saplings every year until 2030.

Project for Identifying the Agricultural Impacts of Zorlu Enerji Kızildere Geothermal Power Plants

The study, carried out with Ege University Faculty of Agriculture, Department of Soil Science and Plant Nutrition, aims to reveal the effects of emissions from geothermal power plants on agricultural production and biodiversity through plant, fruit, soil and water analyses. This study will determine the impacts of Kızildere 1, 2 and 3 Geothermal Power Plants on agricultural production and biodiversity.



Inclusive Value Chain

Inclusive Value Chain

The pandemic has highlighted the importance of developing a new management approach in supply chains to reduce vulnerability to future risks. Supply chains made fragile by COVID-19 are further damaged by the economic crisis and the Russia-Ukraine war, posing risks for many sectors. In the face of these risks, a proactive risk management approach, closer ties with local suppliers and strengthening supplier relationships are becoming increasingly important. Promising ways to reduce the vulnerability and increase the resilience of supply chains include more local sourcing, diversifying the supply base and increasing inventory in critical locations.⁴¹

In addition, global **climate action** and the **European Green Deal** are opportunities where we can have a positive impact across the value chain. In order to make good use of these risks and opportunities, we adopt a holistic approach covering the entire value chain. We continuously work to expand our positive contributions to key sustainability issues along the value chain and minimize negative impacts. We operate in various sectors such as **textiles, energy, electronics, white goods, real estate, mining and metallurgy**. Because we work with so many suppliers, our sphere of influence is very broad and reveals many points in the value chain where we can have positive impact. We believe in the **importance of collaborations in the supply chain** and develop strategic partnerships with our suppliers.



are you ready to erase all the footprints...
and make a clean start?

41

Supply chain resilience: How are pandemic-related disruptions reshaping managerial thinking?, 2021, WEF

Sustainable Supply Chain

Our supply chains are becoming increasingly global, complex and competitive. Global energy challenges arising from the COVID-19 pandemic and the Russia-Ukraine crisis have exposed some critical vulnerabilities in production and supply chains. We need to increase supply chain resilience and sustainable investments to cope with uncertainty, risk exposure and supply chain disruptions. **Investments in sustainable supply chains contribute between 12% and 23% to total revenue across the value chain.**⁴²

The problems experienced in global supply chains throughout the pandemic period highlighted localization in supply. We have increased our collaboration with local suppliers to make supply chains more resilient and flexible and to support local development. We work with more than **9,500** suppliers, and the ratio of local suppliers has reached **75%** in 2021. Payments to local suppliers accounted for **32%** of total payments.

At Zorlu Group, we consider compliance with internationally recognized environmental, social and ethical standards and principles by suppliers, which we consider as our important business partners, among our primary responsibilities. Serving as a guide for all Group companies, [Zorlu Holding Procurement Principles](#) are comprised of the main themes of prevention of child labor and forced labor, prevention of discrimination, humane treatment, remuneration, working

hours, freedom of association and collective bargaining, occupational health and safety, environment, and ethics. In order to ensure that suppliers comply with the principles, we are committed to informing them, raising awareness, and organizing trainings when deemed necessary. In order to ensure that suppliers, dealers and distributors comply with these principles and support their development, we provided a total of 7,004 person x hours of training in 2021. Considering environmental and social criteria while selecting suppliers, we carry out environmental and social audits to ensure that our cooperation with suppliers blooms as long-term and sustainable collaborations. In 2021, 5% of suppliers were subjected to environmental and social audits.

Digitalization improves the efficiency of procurement processes, supply chain traceability and securing supplier relationships.⁴³ In 2021, we started work on our new procurement system, **vSRM** (Virtual Supplier Relationship Management), with the aim of digitalizing procurement processes, digitalizing communication with business partners in supply chain applications and conducting procurement proposal evaluations through a digital system. **With this system, we aim to create corporate memory, create a transparent environment where suppliers can enter bids, measure supplier performance through the system, and save time and output costs by digitizing all approvals.**

Customer Relationships

The Smart Life 2030 strategy also encompasses a mentality of mutual transformation and development with customers. To this end, we are based on customer orientation and adopt active and two-way communication based on the principles of transparency and impartiality to ensure customer loyalty. We prioritize responding to changing customer demands as quickly as possible, integrating with digitalization and communicating effectively with customers. On the other hand, we continue to guide the preferences of customers in accordance with the requirements of the age, and we encourage them to act with a sense of responsibility. In addition, by listening to them, we pave the way for them to transform Zorlu Holding and its companies. Our mutual cooperation moves our business forward. Thus, we always maintain the understanding of providing the best and highest quality service in all sectors in which we operate. We continued to continuously improve our products and services for our **12 million customers** in 2021.

We regularly conduct customer satisfaction surveys to receive the feedback of customers and to identify the areas of improvement. In addition to surveys, we use platforms and channels that are easily accessible and capable of interacting with each other, such as communication centers, website contact forms and social media to collect feedback and complaints. We work to respond to every feedback and complaint we receive, and we expand customer engagement in areas such as service and new product development. We responded to **98%** of the **nearly 530 thousand** complaints submitted to the customer communication center in 2021, and resolved **92%** of the complaints in question. We also offer training to employees on customer relations. Trainings in 2021 amounted to **65,270 person x hours**.

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Embankment Project for Inclusive Capitalism, 2018, Coalition for Inclusive Capitalism

43

Digital Procurement Survey, 2022, PwC



Annexes

Memberships and Collaborations

- › 30% Club
- › Accumulator Importers and Producers Association (TümAküder)
- › Aegean Industrialists and Businessmen Association (ESİAD)
- › Ashoka Turkey
- › Association of Artificial and Synthetic Yarn Manufacturers (SUSEB)
- › Association of Private Sector Volunteers (ÖSGD)
- › Association of Turkish Home Textile Industrialists and Businessmen (TETSİAD)
- › Association of Turkish Travel Agencies
- › Babadağlı Industrialists and Businessmen Association (BASİAD)
- › Bursa Disaster Association (BURAD)
- › Bursa Industrialists and Businessmen Association (BUSİAD)
- › Bursa Research Foundation
- › Business World and Sustainable Development Association (SKD Turkey)
- › Corporate Communication Professionals Association (KİD)
- › Corporate Governance Association of Turkey (TKYD)
- › DigitalEurope
- › Education and Culture Foundation of People of Denizli (DENBİR)
- › Endeavor Association
- › Entrepreneur Institutions Platform
- › Ethics and Reputation Society (TEİD)
- › European Man-made Fibres Association
- › Foreign Economic Relations Board of Turkey (DEİK)
- › Geothermal Power Plant Investors Association
- › Guide Dogs Association
- › Hasbahçe Social Assistance and Solidarity Association
- › imece
- › Institute of Internal Auditing - Turkey (TİDE)
- › International Competition and Technology Association (URTEB)
- › International Patent Association (UPB)
- › İstanbul Chamber of Certified Public Accountants (İSMMMO)
- › İTÜ Çekirdek: İstanbul Technical University Incubation Center
- › Middle East Solar Industry Association (MESIA)
- › Quality Association of Turkey (KalDer)
- › Social Innovation Exchange (SIX)
- › Spastic Children's Foundation of Turkey - Cerebral Palsy Turkey
- › Technology Development Foundation of Turkey
- › Turkish Entrepreneurship Foundation (Girvak)
- › Turkish Industry and Business Association (TÜSİAD)
- › Turkish Public Relations Association (TÜHİD)
- › Uludağ University Support Foundation
- › UN Global Compact Network Türkiye
- › Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- › Women Entrepreneurs Association of Turkey (KAGİDER)
- › Women on Board Association Turkey
- › Yanındayız Association
- › YenidenBiz Association
- › Young Guru Academy (YGA)

Social Performance Indicators

| Breakdown of Employees by Gender and Category | 2019 | | 2020 | | 2021 | |
|---|--------|--------|--------|--------|--------|--------|
| | Female | Male | Female | Male | Female | Male |
| Total | 7,488 | 16,895 | 8,413 | 19,513 | 8,610 | 19,674 |
| White-collar | 2,270 | 4,447 | 2,496 | 5,007 | 2,676 | 5,161 |
| Blue-collar | 5,218 | 12,448 | 5,917 | 14,506 | 5,934 | 14,513 |

| Breakdown of Employees by Age | 2019 | | 2020 | | 2021 | |
|-------------------------------|--------|--------|--------|--------|--------|--------|
| | Female | Male | Female | Male | Female | Male |
| Under 30 | 2,987 | 5,412 | 3,392 | 6,062 | 3,419 | 5,917 |
| 30 to 50 years | 4,389 | 10,716 | 4,863 | 12,515 | 5,017 | 12,802 |
| 50 years and above | 109 | 770 | 158 | 936 | 174 | 955 |

| Breakdown of Executives by Gender and Age | 2019 | | 2020 | | 2021 | |
|---|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Total | 242 | 802 | 267 | 850 | 376 | 957 |
| Under 30 | 16 | 22 | 18 | 18 | 13 | 23 |
| 30 to 50 years | 213 | 674 | 235 | 715 | 341 | 794 |
| 50 years and above | 13 | 106 | 14 | 117 | 22 | 140 |

| Other Gender Equality Indicators | 2019 | | 2020 | | 2021 | |
|----------------------------------|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Senior executives | 25 | 121 | 23 | 121 | 27 | 133 |

| Employees Benefiting from Parental Leave | 2019 | | 2020 | | 2021 | |
|--|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Employees benefiting from parental leave | 407 | 730 | 357 | 789 | 331 | 790 |

| Breakdown of Disabled Employees by Gender | 2019 | | 2020 | | 2021 | |
|---|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Total | 193 | 527 | 154 | 534 | 154 | 549 |

| Breakdown of Training Hours by Year | 2019 | | 2020 | | 2021 | |
|-------------------------------------|---------|------|---------|------|---------|------|
| | Female | Male | Female | Male | Female | Male |
| Total training hours | 215,659 | | 125,280 | | 245,989 | |
| Training hours per employee | 8.8 | | 4.4 | | 8.7 | |

| Breakdown of OHS Training Hours by Year | 2019 | 2020 | 2021 |
|--|---------|---------|---------|
| Total hours of OHS training provided to employees | 152,536 | 165,914 | 234,490 |
| Training hours per employee | 6.2 | 5.9 | 8.2 |
| Total hours of training provided to subcontractors | 10,530 | 560 | 4,945 |
| Number of subcontracted employees trained | 1,816 | 978 | 749 |

| OHS Performance of Employees | 2019 | 2020 | 2021 |
|------------------------------|------|------|------|
| Accident frequency rate* | 39.6 | 32.7 | 45.4 |
| Occupational disease rate** | 0 | 0 | 0 |
| Number of fatal accidents | 0 | 0 | 0 |

* **Accident Frequency Rate** = Total number of accidents involving injuries x 1,000,000 / Total hours worked
 ** **Occupational Disease Rate** = Total number of occupational disease cases x 1,000,000 / Total hours worked

Environmental Performance Indicators

| Greenhouse Gas Emissions (tons CO ₂ e) | 2019 | 2020 | 2021 |
|---|------------------|------------------|------------------|
| Scope 1 | 1,775,736 | 1,540,857 | 1,453,922 |
| Scope 2 | 419,704 | 603,560 | 627,716 |
| Scope 3 | 39,774 | 4,080 | 466,538 * |
| Total | 2,235,214 | 2,148,497 | 2,548,176 |

| Water Consumption (m ³) | 2019 | 2020 | 2021 |
|-------------------------------------|-------------------|-------------------|-------------------|
| Total Water Withdrawn | 84,636,447 | 82,549,880 | 96,035,144 |
| Surface Water | 826,511 | 1,552,842 | 1,487,667 |
| Groundwater | 81,783,059 | 79,043,254 | 92,570,915 |
| Sea Water | 0 | 0 | 0 |
| Third-Party Water Suppliers | 2,026,877 | 1,953,784 | 1,976,562 |
| Water Produced | 0 | 0 | 0 |
| Total Water Discharged | 66,462,502 | 80,194,980 | 93,438,131 |
| Surface Water | 2,041,221 | 1,975,200 | 2,104,463 |
| Groundwater | 62,582,063 | 76,158,612 | 89,479,983 |
| Sea Water | 0 | 0 | 0 |
| Third-Party Water Suppliers | 1,839,218 | 2,061,168 | 1,853,685 |

| Amount of Waste (tons) | 2019 | 2020 | 2021 |
|----------------------------------|---------------|---------------|----------------|
| Total Hazardous Waste | 4,400 | 24,056 | 21,037 |
| To Landfill | 1,906 | 2,315 | 114 |
| Recovered for Energy Purposes | 856 | 809 | 992 |
| Reused | 0 | 5 | 6 |
| Recycled | 1,468 | 20,752 | 19,716 |
| Other | 0 | 0 | 0 |
| Total Non-Hazardous Waste | 87,333 | 96,639 | 108,749 |
| To Landfill | 527,773 | 1,926,305 | 1,164,489 |
| Recovered for Energy Purposes | 2,864 | 3,240 | 3,612 |
| Reused | 9,442 | 8,302 | 10,336 |
| Recycled | 59,225 | 58,867 | 69,979 |
| Other | 12,174 | 12,554 | 12,156 |

* Scope 3 emissions of Vestel is not included since it's being recalculated.

UNGC Reference Index

| Area | Principles | Related Section in the Report |
|------------------------|---|--|
| HUMAN RIGHTS | 1. Businesses should support and respect the protection of internationally proclaimed human rights. | • Diversity and Inclusion • Gender Equality • Corporate Governance • Supply Chain |
| | 2. Businesses should make sure that they are not complicit in human rights abuses. | • Diversity and Inclusion • Gender Equality |
| LABOR STANDARDS | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | • Employee Engagement and Satisfaction |
| | 4. Businesses should uphold the elimination of all forms of forced and compulsory labor. | • Occupational Health and Safety • Corporate Governance • Supply Chain |
| | 5. Businesses should uphold the effective abolition of child labor. | • Corporate Governance • Supply Chain • Occupational Health and Safety |
| | 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation. | • Diversity and Inclusion |
| ENVIRONMENT | 7. Businesses should support a precautionary approach to environmental challenges. | • Combating the Climate Crisis • Energy Management • Natural Resource and Waste Management |
| | 8. Businesses should undertake initiatives to promote greater environmental responsibility. | • Circular Economy |
| | 9. Businesses should encourage the development and diffusion of environmentally friendly technologies. | • Radical Collaborations and Disruptive Innovation |
| ANTI-CORRUPTION | 10. Businesses should work against corruption in all its forms, including extortion and bribery. | • Corporate Governance |

GRI Content Index

| GRI STANDARD | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|--|-----------|---|---|
| GRI 101: Foundation 2016 | | | |
| GRI 102: General Disclosures 2016 | | | |
| Organizational Profile | | | |
| | 102-1 | 3 | |
| | 102-2 | http://www.zorlu.com.tr/en/fields-of-activity/brands | |
| | 102-3 | http://www.zorlu.com.tr/contact | |
| | 102-4 | http://www.zorlu.com.tr/en/fields-of-activity/brands | |
| | 102-5 | https://www.zorlu.com.tr/assets/files/faaliyet-raporlari/ZORLUHOLDING_FR21_0310.pdf , S.3,8 | |
| | 102-6 | https://www.zorlu.com.tr/assets/files/faaliyet-raporlari/ZORLUHOLDING_FR21_0310.pdf , S.26 | |
| | 102-7 | https://www.zorlu.com.tr/assets/files/faaliyet-raporlari/ZORLUHOLDING_FR21_0310.pdf , S.10,11, 26 | |
| | 102-8 | 10, 42, 82 ,83 | |
| | 102-9 | 78,79 | |
| | 102-10 | There were no significant changes. | |
| | 102-11 | 35-39 | |
| | 102-12 | 81 | |
| | 102-13 | 81 | |
| Strategy | | | |
| | 102-14 | 12-16 | |
| | 102-15 | 35-39 | |
| Ethics and Integrity | | | |
| | 102-16 | https://www.zorlu.com.tr/tr/bizi-taniyin/degerlerimiz , S.33 | |
| | 102-17 | 33-34 | |

**GRI 102: GENERAL
DISCLOSURES 2016**

| GRI STANDARDI | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|--|-----------|---|---|
| GRI 101: Foundation 2016 | | | |
| GRI 102: General Disclosures 2016 | | | |
| Governance | | | |
| | 102-18 | 23 | |
| | 102-19 | 23 | |
| | 102-20 | 23 | |
| Stakeholders Engagement | | | |
| | 102-40 | 24 | |
| | 102-41 | There are no employees working under collective bargaining agreement. | |
| | 102-42 | 24-26 | |
| | 102-43 | 24-26 | |
| | 102-44 | 24-26 | |
| Reporting Practice | | | |
| | 102-45 | 3 | |
| | 102-46 | 3 | |
| | 102-47 | 25-29 | |
| | 102-48 | 82-84 | |
| | 102-49 | There were no significant changes. | |
| | 102-50 | 3 | |
| | 102-51 | January 1, 2020 - December 31, 2020 | |
| | 102-52 | Sustainability Report is published annually. | |
| | 102-53 | 3 | |
| | 102-54 | 3 | |
| | 102-55 | 86-93 | |
| | 102-56 | No external assurance for the report provided. | |

GRI 102: GENERAL DISCLOSURES 2016

| GRI STANDARDI | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|---|-----------|-------------------------|---|
| GRI 200: Economic Standard Series | | | |
| Anti-Corruption | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 33, 34 | |
| | 103-2 | 33, 34 | |
| | 103-3 | 33, 34 | |
| GRI 205: ANTI-CORRUPTION 2016 | 205-2 | 33, 34 | |
| | 205-3 | 33, 34 | |
| GRI 300: Environmental Standard Series | | | |
| Energy | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 69 | |
| | 103-2 | 69, 70 | |
| | 103-3 | 69, 70 | |
| GRI 302: ENERGY 2016 | 302-5 | 69 | |
| Water and Effluents | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 73 | |
| | 103-2 | 73 | |
| | 103-3 | 73 | |
| GRI 303: WATER AND EFFLUENTS 2018 | 303-3 | 84 | |
| | 303-4 | 84 | |

| GRI STANDARDI | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|---|-----------|-------------------------|---|
| GRI 300: Environmental Standard Series | | | |
| Biodiversity | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 75, 76 | |
| | 103-2 | 75, 76 | |
| | 103-3 | 75, 76 | |
| GRI 304: BIODIVERSITY 2016 | 304-2 | 75, 76 | |
| Emissions | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 65-68 | |
| | 103-2 | 65-68 | |
| | 103-3 | 65-68 | |
| GRI 305: EMISSIONS 2016 | 305-1 | 84 | |
| | 305-2 | 84 | |
| | 305-3 | 84 | |
| | 305-4 | 68 | |
| | 305-5 | 68 | |
| Waste | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 71-73 | |
| | 103-2 | 71-74 | |
| | 103-3 | 71-74 | |
| GRI 306: WASTE 2020 | 306-3 | 84 | |

| GRI STANDARDI | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|--|-----------|-------------------------|---|
| GRI 300: Environmental Standard Series | | | |
| Supplier Environmental Assessment | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 78, 79 | |
| | 103-2 | 78, 79 | |
| | 103-3 | 78, 79 | |
| GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 | 308-1 | 78, 79 | |
| GRI 400: Social Standard Series | | | |
| Employment | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 28, 41, 42 | |
| | 103-2 | 28, 41, 42 | |
| | 103-3 | 28, 41, 42 | |
| GRI 401: EMPLOYMENT 2016 | 401-2 | 47-50 | |

| GRI STANDARDI | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|---|---------------------------------------|---|---|
| GRI 400: Social Standard Series | | | |
| Labor/Management Relations | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 28, 41 | |
| | 103-2 | 28, 41 | |
| | 103-3 | 28, 41 | |
| GRI 402: LABOR/ MANAGEMENT RELATIONS 2016 | 402-1 | Minimum legal notice periods are applied regarding operational changes. | |
| | Occupational Health and Safety | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 28, 52 | |
| | 103-2 | 28, 52 | |
| | 103-3 | 28, 52 | |
| GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018 | 403-1 | 52 | |
| | 403-5 | 52 | |
| | 403-9 | 83 | |
| | 403-10 | 83 | |

| GRI STANDARDI | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|--|-----------|--|---|
| GRI 400: Social Standard Series | | | |
| Training and Education | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 28, 48-50 | |
| | 103-2 | 28, 48-50 | |
| | 103-3 | 28, 48-50 | |
| GRI 404: TRAINING AND EDUCATION 2016 | 404-1 | 48, 82 | |
| | 404-2 | 48-50 | |
| | 404-3 | 48-50 | |
| Diversity and Equal Opportunity | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 43-46 | |
| | 103-2 | 43-46 | |
| | 103-3 | 43-46 | |
| GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016 | 405-1 | 31, 43, 44, 82, 83 | |
| | 405-2 | There is no gender-based discrimination in remuneration. | |
| Local Communities | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 54 | |
| | 103-2 | 54-63 | |
| | 103-3 | 54-63 | |
| GRI 413: LOCAL COMMUNITIES 2016 | 413-1 | 54-63 | |

| GRI STANDARDI | INDICATOR | PAGE NUMBER AND/OR LINK | EXPLANATION OF INFORMATION NOT PROVIDED |
|--|-----------|-------------------------|---|
| GRI 400: Social Standard Series | | | |
| Supplier Social Assessment | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 78, 79 | |
| | 103-2 | 78, 79 | |
| | 103-3 | 78, 79 | |
| GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016 | 414-1 | 78, 79 | |
| Material Topics That Are Not Covered By The GRI Standards | | | |
| R&D and Innovation | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 20-22, 27 | |
| | 103-2 | 20-22, 27 | |
| | 103-3 | 20-22, 27 | |
| Digital Transformation | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 20-22, 27 | |
| | 103-2 | 20-22, 27 | |
| | 103-3 | 20-22, 27 | |
| Financial Efficiency | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | 20-22, 27 | |
| | 103-2 | 20-22, 27 | |
| | 103-3 | 20-22, 27 | |