

2019

ZORLU HOLDING
SUSTAINABILITY
REPORT



2019

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ABOUT THE REPORT

Zorlu Holding shares its corporate governance, environmental and social performance with stakeholders through Sustainability Reports annually. The report, prepared in accordance with the GRI Standards: Core option, comprises the Smart Life 2030 vision, goals, performance and progress, and our contributions to the United Nations Sustainable Development Goals. The report also covers our 10th Communication on Progress on the principles of the United Nations Global Compact (UNGC).

For inquiries, opinions and suggestions regarding the report, please contact us via:

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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 the dates January 1, 2019 and December 31, 2019. 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.

ZORLU HOLDING AT A GLANCE

Zorlu Holding, the foundations of which were laid in **1953** when Mehmet Zorlu established Zorlu Mensucat Denizli, commenced its activities in the textile industry.

In **1976**, Korteks Velvet Weaving Plant was established in Bursa and in approximately 10 years it began the first export sales of textiles products.

In **1989**, Korteks Yarn Factory was established.

Korteks Polyester Yarn Factory, Europe's largest integrated polyester yarn manufacturer and exporter, began production in **1990**.

Zorlu Enerji was founded in **1993** to meet the energy and steam needs of Zorlu Group's industrial enterprises. Today, Zorlu Enerji stands out with domestic and renewable energy investments and is listed in the Borsa Istanbul (BIST) Sustainability Index.

Vestel Elektronik, which joined the Zorlu Group in **1994**, and Vestel Beyaz Eşya founded in **1997** meet customers' expectations with innovative products. Thanks to their high sustainability performances, they are listed in the BIST Sustainability Index.

Meta Nikel was founded in **2000** and joined Zorlu Group in **2007**. Meta Nikel continues its operations in R&D-based next generation mining without compromising on its philosophy of innovative, sustainable and eco-conscious production.

Zorlu Real Estate was established in **2006**.

The construction of Zorlu Center, Turkey's first mixed-use project, began in **2008**. Zorlu Center opened its doors as a shopping and performance arts center in **2013**.

In **2007**, Zorlu Holding signed the United Nations Global Compact, committing to 10 principles on human rights, labor standards, environment and anti-corruption.

In **2009**, Zorlu Holding published the "2007-2009 Global Compact Progress" report for the first time.

Jhampir Wind Power Plant in Pakistan began generation in **2011**.

In **2012**, Zorlu Faktoring commenced its operations.

In **2015**, Zorlu Holding signed the United Nations Women's Empowerment Principles, institutionalizing its support for empowering women in the society, business, and the economy. Vestel Elektronik was included in the BIST Sustainability Index for the November 2015 - October 2016 period.

In **2016**, Vestel Beyaz Eşya and Zorlu Enerji voluntarily joined Borsa Istanbul's (BIST) Sustainability Index for the November 2016 - October 2017 period. Saritepe-Demirciler Wind Power Plants commenced its operations.

In **2017**, Zorlu Holding established the Smart Life sustainability vision. Vestel Beyaz Eşya became the first company in Turkey to receive the Water Footprint Verification in the industry. Zorlu Solar became the only authorized distributor of the U.S.-based First Solar across 26 countries.

In **2018**, Zorluteks received the highest score from BSCI for its sustainable working conditions.

In **2019**, Vestel Beyaz Eşya expanded its brand license agreement with Sharp Corporation to include smart products. Zorlu Textiles opened a total of seven new stores in six countries.



ESTEEMED STAKEHOLDERS,

The year 2019 was marked by an increase in uncertainty across the global economic landscape, with global environmental and social challenges becoming increasingly multidimensional and more complex.

While the trade war between the U.S. and China continued to exert serious pressure on global trade, the weak course of global manufacturing led to a lower-than-expected growth momentum in Europe, which is Turkey's largest export market. On the other hand, global issues such as the climate crisis, gradually diminishing natural resources, unplanned growth, destruction of nature and increasing income inequality have had negative economic repercussions and continue to widen the social and environmental gap around the globe. The World Economic Forum's (WEF) 2020 Global Risks Report reveals that extreme weather events, failure to combat the climate crisis, disasters, and ecosystem damage are the leading risks expected to occur in the next decade. In other words, the top five risks, defined as the most likely to occur over the next decade, are related to the climate crisis and the environment.¹ Cooperation, R&D and innovation investments and inclusion are needed more than ever to find solutions to these global risks. In order to achieve the target of keeping global warming below 1.5 degrees, as per the Paris Agreement, all stakeholders, especially the public and private sector, need to unite and act quickly and effectively.² Unless the necessary precautions are taken, we may encounter various critical consequences, from the collapse of food and health systems to the disruption of the entire supply chain.

The climate crisis sits atop the global agenda, while technology and digitalization are starting to emerge as global trends shaping the current era and continue to transform companies. Companies investing in R&D and innovation reduce their environmental impact by leveraging the power of technology, and not only gain competitive advantage with the innovative products and services they offer, but also spearhead the efforts to tackle global challenges. These developments show that we need to use the healing power of technology and digitalization more effectively for a better future. That is because while technological investments provide a wide range of advantages including productivity, energy efficiency, convenience in business processes and better management, they also transform industries and help companies become resilient, flexible and agile in times of global crises.

These concepts have gained even more prominence with the global COVID-19 outbreak that emerged in China in late 2019. This period also shows that there is a strong and positive correlation between the relatively dominant position of companies with high ESG (environmental, social and governance) performance in global markets and their ESG risk management capabilities. The fact that those who are most affected by the pandemic economically and socially are the fragile and vulnerable segments of society further illuminates the social inequalities around the world. If we fail to eliminate inequalities in issues such as gender, fair access to education, and healthcare, it may not be possible for us to ensure the sustainability of the systems we have in place in the long run. All these developments show us how deeply we need

a systemic transformation towards a more cooperative and a stakeholder-based approach for a better future. The fact that the World Economic Forum named its new manifesto **Stakeholder Capitalism** at its 50th annual meeting in 2019 points out that a stakeholder-oriented approach is among the top agenda items of the business world.

This call for eliminating social inequalities and building an equality-driven world for all stakeholders necessitates a transformation in the business world. Companies that continue to operate while ignoring their stakeholder base, especially employees, the environment and society, will have to reassess the sustainability of their own business. In addition, there has been a growing need for a new leadership approach in order to address the challenges of the 21st century. The recent developments have proved that companies boasting resilience, agility and high adaptability are better at shielding themselves from global crises with their renewed leadership capabilities.

We have established our Smart Life 2030 vision in anticipation of this global change and transformation. We make sure that Zorlu Group is prepared for the future of ESG criteria, and create value for our stakeholders through activities which we carry out in line with this vision. These times that we are going through prove that the steps we have taken in the last three years towards Smart Life 2030 are the right ones, and they also gives us strength, inspiration and courage to always outperform ourselves in collaboration with our stakeholders. Our stakeholder-based and sustainability-oriented business model starts from a Holding level and expands towards our Group companies. Operating across a wide variety of fields ranging from energy to textiles, household appliances to consumer electronics and real estate to next-gen mining, Zorlu Group has all the necessary innovation capabilities, dynamism and competence at its disposal to help create a better future. In 2019, we continued to shape our Smart Life 2030 vision, which has long become our way of doing business, by developing smart systems of the future.

I hope that our sustainability report on our environmental, social, economic and governance performance, reflecting our Smart Life 2030 vision, will serve as a good example for the business world in creating a better future. I would like to thank all our stakeholders, especially our colleagues, for joining us as we set out on this long journey.

“THESE TIMES THAT WE ARE GOING THROUGH PROVE THAT THE STEPS WE HAVE TAKEN IN THE LAST THREE YEARS TOWARDS SMART LIFE 2030 ARE THE RIGHT ONES, AND THEY ALSO GIVE US STRENGTH, INSPIRATION AND COURAGE TO ALWAYS OUTPERFORM OURSELVES IN COLLABORATION WITH OUR STAKEHOLDERS. OUR STAKEHOLDER-BASED AND SUSTAINABILITY-ORIENTED BUSINESS MODEL STARTS FROM A HOLDING LEVEL AND EXPANDS TOWARDS OUR GROUP COMPANIES.”

Sincerely,

ÖMER YÜNGÜL,
CEO

¹ Global Risks Report, WEF, 2020

² Paris Agreement, UN, 2015



ESTEEMED STAKEHOLDERS,

2019 has been a year of growing economic concerns and increasing environmental and social conflicts. In this period, traditional methods proved to be ineffective in helping us emerge strong from crises. Yet we saw that an inclusive, stakeholder-based and environment-oriented management approach that reduces inequalities was the most powerful tool for governments and businesses to utilize.

We follow how environmental and social developments around the world are reflected in the financial performance of companies, and we acknowledge that sustainability is gaining momentum as part of our global agenda. This year's United Nations New York Climate Summit emphasized the fact that climate action could no longer be confined to climate alone, and that its scope would continue to expand to include actions regarding the environment, justice, and equality. The climate crisis is a critical item on the global agenda and we no longer have the luxury of ignoring the environmental and social problems this crisis have triggered. We, as the business world, have to unite against the key challenges facing the world, such as wide-scale loss of biodiversity, increasing air and plastic pollution, poverty and hunger, public health and access to clean water, and reducing inequalities.

The coronavirus pandemic, which emerged in late 2019 and has impacted the world at large in 2020, has shown that companies that can withstand waves of crises and even emerge stronger from them are those with a solid ESG performance. The financial performance of companies, which were able to manage ESG risks well and remain resilient in the face of these risks, was not affected as dramatically as those with lower ESG scores.³ We must manage our financial and non-financial assets with an integrated approach as we address complex and multifaceted global issues and work towards emerging stronger from crises. The value we create through our business outcomes is meaningful and sustainable only when it benefits all our stakeholders.

Now, we need to re-position smart technologies, which are the main drivers of a next-generation economy, to serve sustainability. A management strategy based on reducing the environmental impact, and even eliminating it all together in the long term, by utilizing the power of technology will prove to be a very important leverage in carrying our business forward. With the Smart Life 2030 vision, Zorlu Group is able to effectively manage and further improve its ESG performance while adhering to a responsible growth approach. At a Group that shapes the future with smart approaches, and delivers innovative and sustainable solutions to address global issues, we further consolidate our commitment to becoming one of the stakeholders of transformation with each passing day.

In 2019, the Smart Life 2030 vision served as our compass in a world of streamlined access to information, as we continued to work towards an inclusive corporate culture that champions innovation and creativity. We launched numerous programs and initiatives, ranging from intrapreneurship to gender equality and employee volunteering. We completed the first cycle of our intrapreneurship program, titled *Parlak Bi'Fikir (A Bright Idea)*, which is one of the most critical steps towards Smart Life 2030, in 2019. The first cycle was a stepping-stone for Zorlu Group to achieve its goal of integrating innovation into its corporate culture. Addressing the new generation's desire for purpose-driven work, we were able to provide a work environment that would enable them to realize their full creative potential. We hope that the second cycle will attract more participants in 2020, thus empowering an innovative mindset and entrepreneurial spirit within our culture and embedding these qualities into our way of doing business.

Also in 2019, the Gender Equality Committee and the Gender Equality Working Group (established with the voluntary participation of our colleagues) took significant actions. Under the leadership of the committee and the working group, we launched a variety of initiatives based on the *Eşit Bi'Hayat (An Equal Life) is possible for all'* slogan, which were promoted across all Zorlu companies. These activities, ranging from mentorships to workshops and trainings, helped raise corporate awareness on gender equality. In the upcoming period, we will launch new initiatives to ensure that we use an equality-driven language in all our communications and that our working conditions are equitable.

In 2019, we transformed our approach to philanthropy, which is already coded in Zorlu Group's DNA, into a structure enabling partnerships with our stakeholders. We made it possible through our corporate volunteering program *Kivilcılar*, which was launched in line with our Smart Life 2030 vision. We raised our employees' awareness on volunteering, inspiring and empowering them to take action with activities organized in cooperation with NGOs. We strive to drive more dynamism within this movement and switch to a new model that allows our employees to create their own volunteer projects by 2020.

We believe that our employees' passion, commitment, productivity and development are our key strengths. We understand that talent management plays a pivotal role in achieving the goals we set with Smart Life 2030, and we make significant investments in this area. We work towards addressing the new generation's desire for purpose-driven work and a corporate setting that enables continuous development.

To that end, we support Smart Life Architects, who spearhead sustainability efforts within Zorlu Group, with workshops and other activities which they can attend as participants or representatives. We became the first Group to offer its employees an educational program on sustainability, named "Smart Life Academy", the content of which we developed in collaboration with Boğaziçi University in 2019. The content was designed to cover several key drivers that would help participants develop a sustainability vision, from global trends to systems thinking, sustainability leadership to entrepreneurship ecosystem. We plan to improve our Smart Life Academy program and provide training to more colleagues across our Holding and Group companies.

While our group companies continued to deliver numerous projects that would contribute to sustainability through circular economy-based innovations in raw material and process management, we furthered our efforts to be part of pioneering sustainability-oriented initiatives. In 2019, we became one of the first 26 signatories of the Business Initiative for Plastic launched by Global Compact Turkey, the Business Council for Sustainable Development Turkey (BCSD Turkey) and the Turkish Industry and Business Association (TUSIAD) to combat plastic pollution. We aim to be part of the solution by communicating our commitment to reduce the use of plastics by 2021.

At Zorlu Group, we will improve our sustainability efforts, which we have reinforced with all the aforementioned activities, by transforming the business culture within our Group in 2020 and beyond, and strive for robust progress towards our Smart Life 2030 goals.

As we present our 2019 Sustainability Report, prepared in line with our principles of transparency and accountability, I would like to thank all our stakeholders, especially our colleagues and business partners, for their contributions to our Smart Life 2030 journey.

"AT A GROUP THAT SHAPES THE FUTURE WITH SMART APPROACHES, AND DELIVERS INNOVATIVE AND SUSTAINABLE SOLUTIONS TO ADDRESS GLOBAL ISSUES, WE FURTHER CONSOLIDATE OUR COMMITMENT TO BECOMING ONE OF THE STAKEHOLDERS OF TRANSFORMATION WITH EACH PASSING DAY."

Sincerely,

CEM KÖKSAL,
Chairman of the Sustainability Committee

³ ESG passes the COVID challenge...
FinancialTimes, 2020

Akıllı Hayat

2030

AS A KEY PLAYER IN THE TRANSFORMATION PROCESS THAT TURKEY AND THE WORLD AT LARGE ARE GOING THROUGH, WE ARE GUIDED BY OUR SMART LIFE 2030 VISION IN OUR INVESTMENT DECISIONS AND IN MANAGING THE FINANCIAL AND NON-FINANCIAL RISKS WITHIN OUR EXISTING PORTFOLIO, WHILE WE STRIVE FOR MEETING THE EXPECTATIONS OF OUR STAKEHOLDERS AND INVESTORS AT THE HIGHEST LEVEL POSSIBLE.

2019 saw the rise in global temperature and the consequent drought, the increasing stress on water resources, extreme weather events and natural disasters steering the course of the climate crisis for the worse. Documenting the current global outlook, the Global Risks Report announced by WEF at the beginning of 2020 reveals that global risk ranking in terms of likelihood and impact is spearheaded by climate-related risks.⁴ A large ecosystem was lost in the forest fires in Australia and Brazil at the beginning of the year, and the death toll of the COVID-19 outbreak, which has emerged in China as a result of ecological interventions breaching the human-animal barrier, is still growing.⁵ Supply chains were disrupted and global trade came to a standstill due to the pandemic. While this period highlights the fragile

nature of supply chains and the global economy, it also offers opportunities for us to be prepared and resilient against future crises, such as the climate crisis.⁶

While this global event, which has had serious ramifications for human health and the economy, re-introduced concepts such as stakeholder capitalism, responsible growth, globalization, resilience and flexibility, the fight against the climate crisis has made great strides too.⁷ It is stated that it would be possible to keep the global temperature increase at 1.5-2°C until 2050, as investments grow in the transition to clean energy - thanks to the Green Deal and Green Recovery packages aimed at recuperating from the economic crisis caused by the pandemic.⁸

ESG BECAME AN INVESTMENT STANDARD

2019 was also a year when investors and large investment companies factored ESG criteria in their investment decisions. ESG became an investment standard as major investment companies around the world fundamentally shaped the financial sector with their decisions adhering thereto.⁹ Moreover, it became a priority investment criterion for companies to adopt sustainability in managing their future targets, medium-and long-term risks and opportunities. With concepts such as stakeholder capitalism, inclusion, and shared value creation gaining prominence, companies with stakeholder-oriented business models are able to attract more investors and are less affected by global crises.¹⁰

During the pandemic, it has been tested and proven that investments that take ESG criteria into account are more resilient than their traditional counterparts.¹¹ The current period shows us that in order to create long-term, high-yield value, we have to consider ESG factors when making investment decisions. Responsible investments enable companies to strengthen their sustainable and resilient structure, while also contributing to improving their long-term economic performance. As a key player in the transformation process that Turkey and the world at large are going through, we are guided by our Smart Life 2030 vision in our investment decisions and in managing the financial and non-financial risks within our existing portfolio, while we strive for meeting the expectations of our stakeholders and investors at the highest level possible.







At Zorlu Holding, we believe that effective solutions to environmental, social and economic problems are based on creating an equal, inclusive, fair and smart life. We are confident that we can overcome these challenges by increasing cooperation and leveraging the power of collective consciousness. In the industries where we operate, we identify how ESG-related issues impact our Group companies and take steps to manage these impacts in line with our goals.

WE ARE GEARING UP FOR THE CHANGING WORLD WITH SMART LIFE 2030

Smart Life 2030 brings flexibility and adaptability to our business models. By leading the transformation journey of our companies in line with Smart Life 2030 in an ever-changing global landscape, we contribute to our shared global aspirations, namely the United Nations Sustainable Development Goals, and focus on creating shared value. We are gearing up for the changing world and the environmental and social crises that await us in the future by focusing on technology with Smart Life 2030.

The current conjuncture, where technology rapidly transforms our lives and ways of doing business, presents a wealth of opportunities for redesigning our business models in line with stakeholders' changing expectations and with a sustainable future in mind.¹² We further consolidate our innovation-based corporate culture with our Smart Life 2030 efforts. In order to achieve the cultural change that we strive for, we empower our employees with passion and commitment, embrace gender equality, and **Inspire**; we ensure that our economy and the entire ecosystem **Thrive** by adopting responsible production across our supply chain and through technological innovations; we **Collaborate** with our stakeholders through partnerships to lay the foundations of Smart Life 2030 by contributing to the Sustainable Development Goals and society at large.

⁴ [Global Risks Report, 2020, WEF](#)
⁵ [Doğanın Yok Oluşu ve Pandemilerin Yükselişi, 2020, WWF](#)
⁶ [Coronavirus Is Proving We Need More Resilient Supply Chains, 2020, Harvard Business Review](#)
⁷ [COVID-19 and Climate Change, 2020, WEF](#)
⁸ [Global Energy Review, 2020, IEA](#)
⁹ [Larry Fink's Letter to CEOs and clients, 2020, Blackrock](#)
¹⁰ [Framework to Help Business Identify ESG Factors for Long-Term Resilience, 2020, WEF](#)
¹¹ [ESG Managers say Pandemic is a stress test that proves their point, 2020, Bloomberg](#)
¹² [Reimagining Industrial Operations, 2020, McKinsey and Company](#)

<p>SHARED GLOBAL ASPIRATION</p>	<p>UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS</p>		
<p>OUR AIMS</p>	<p>SMART LIFE 2030 CREATING SHARED VALUE, CONNECTING PROFIT WITH PURPOSE</p>		
<p>2030 VISION</p>	 <p>INSPIRE</p> <p>We empower employees through passion and commitment to inspire and galvanize change.</p>	 <p>THRIVE</p> <p>Driven by systems thinking; we continue to grow economically while having a positive, restorative impact on our ecosystems to thrive.</p>	 <p>COLLABORATE</p> <p>We are committed to creating shared value in collaboration with our stakeholders to help fulfill society's dreams and the Global Goals.</p>
<p>2022 INTERIM OBJECTIVES</p>	<p>Aiming for zero work-related accidents</p> <p>Raising the percentage of women employees to 40%</p> <p>Raising employee satisfaction to 80%</p> <p>Raising our employee engagement to 60%</p>	<p>Ensuring 100% compliance with our sustainable procurement policy</p>	<p>Investing 1.5% of our profit in SDGs</p> <p>Increasing the income share received from sustainable product categories to 50%</p> <p>Increasing the number of suggestions from our stakeholders regarding intrapreneurship and open innovation opportunities by 50%</p>
<p>SDGs WE CONTRIBUTE TO</p>			

SUSTAINABILITY MANAGEMENT

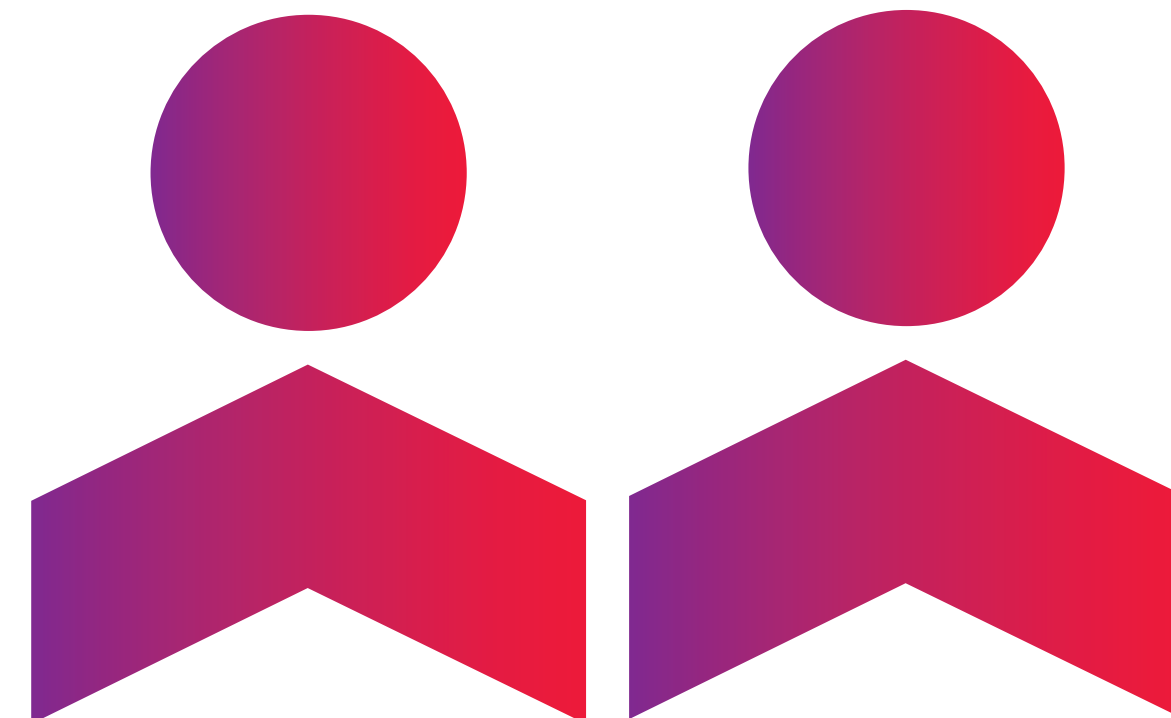
In a period where global risks and stakeholder expectations rise, it is becoming increasingly crucial for companies to integrate ESG into their business models to effectively address prominent global challenges such as the climate crisis, limited resources and inequality, and ensure business continuity.¹³ In line with this vision, companies need to redefine their management understanding for sustainable growth. Sustainability leadership, on the other hand, serves as a role model for promoting sustainability across the industries where we operate and the business world through good practices. In addition, the sustainability vision, which was integrated into the company's short-and long-term decisions, helps us navigate the transformation of the company.¹⁴

¹³ Framework to Help Business Identify ESG Factors for Long-Term Resilience, 2020, WFE
¹⁴ Sustainability Leadership, 2020, CISI

As part of our sustainability structure, we adopt sustainability at different levels across our entire organization, embedding it into our corporate culture. We believe that employees' passion and commitment towards the Smart Life 2030 vision as well as the inspiration they derive from it will be the enablers of our long-term goals. To that end, over 100 Smart Life Architects support our operations, ensuring a better future for our companies. The Sustainability Committee reporting to the CFO, and the seven Working Groups established within the Sustainability Committee on R&D and Innovation, Employees, Environment, Corporate Management, Community Relations, Customer Relations, and Supplier Relations, monitor the sustainability goals and ensure that Group companies embrace the Smart Life 2030 approach. Working group members regularly meet throughout the year to discuss the current status and progress on sub-targets defined for the 2022 objectives and if necessary, to revise the road map for attaining these objectives. Leaders of the Working Groups regularly report to the Chairman of the Committee.

In November 2019, the Zorlu Holding Sustainability Committee was joined by over 100 Smart Life Architects and participants from inside and outside Turkey at an event to evaluate the entire year. The event offered an in-depth look at the sustainability vision of the senior management, the projects carried out throughout the year and good practices regarding the sustainability-oriented products and services of the Group companies.

In December, we held a meeting led by Sustainability Committee Chairman Cem Köksal, where we discussed the sustainability management approach of 2019 and before, highlighted areas of improvement, and reviewed our strategy for 2020 and beyond. We made certain decisions that would improve our sustainability management and strategy for the upcoming period.



SUSTAINABILITY COMMITTEE

BOARD OF DIRECTORS		HEAD OF THE SUSTAINABILITY COMMITTEE					
		CEM KÖKSAL					
SECRETARIAT OF THE SUSTAINABILITY COMMITTEE	ENVIRONMENT KAAN GENÇEL	RELATIONS WITH SOCIETY ASLI ALEMDAROĞLU	R&D AND INNOVATION YÜCE DEMİRSEREN	CORPORATE GOVERNANCE BILLUR DEMET ATAN	EMPLOYEES ZÜLAL ÖZTÜRK KAYA	CUSTOMER RELATIONS SELÇEN UYGUNTÜZEL	SUPPLY CHAIN ÖZGÜR TİRÜN
	VESTEL GROUP COORDINATOR RAŞİT ÇİLOĞLAN	TEXTILES GROUP COORDINATOR ANIL OĞUZ	ENERGY GROUP COORDINATOR ESRA ÇAKIR KAAN GENÇEL	PROPERTY GROUP COORDINATOR PELİN USLU	MINING GROUP COORDINATOR MUSTAFA İNCE		

DIALOGUE WITH STAKEHOLDERS

The manifesto announced at the 50th annual meeting of the World Economic Forum in 2019, titled Stakeholder Capitalism, underscores the importance of inclusive stakeholder engagement in problem-solving processes.¹⁵ It states that the aim of companies must be to create shared and sustainable value with their stakeholders, and also points out that the stakeholders expect the private sector to take more responsibility in addressing global challenges.¹⁶ A recent study by Harvard University reveals that companies, which address stakeholders' needs and expectations and collaborate with them to create shared value, grow in value in the medium and long term, and improve their stakeholder relations.¹⁷

As one of Turkey's largest Groups, we believe that we are responsible for providing benefits to not only our Holding and Group companies but also to our external stakeholders in all our strategic decisions.

We regularly communicate with our key stakeholders (including individuals, institutions and organizations) with a bilateral approach and participate in various international platforms.

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. These analyses enable us to identify our stakeholders' expectations and see how they evaluate our ESG performance. We identified our material issues based on the most recent stakeholder analysis we conducted in accordance with the AA1000 Stakeholder Engagement Standard in 2019.

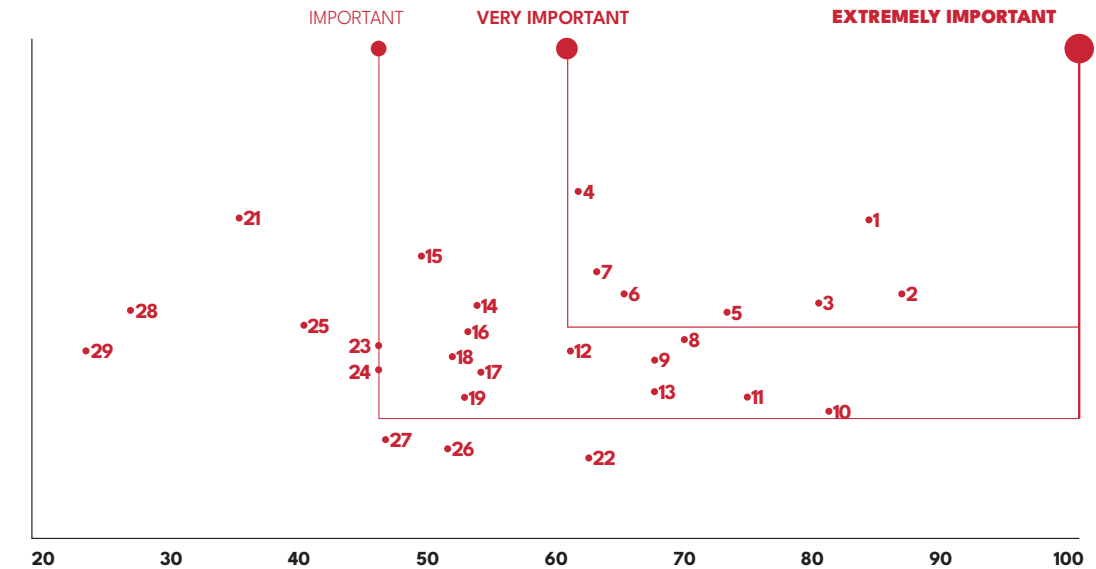
¹⁵ Davos Manifesto, 2020, WEF

¹⁶ COVID-19 is a litmus test for stakeholder capitalism, Klaus Schwab, 2020, World Economic Forum, WEF

¹⁷ Public Sentiment and the Price of Corporate Sustainability, George Serafeim, 2018, Harvard Business School

IMPORTANCE TO STAKEHOLDERS

STAKEHOLDER ANALYSIS + EXTERNAL TREND ANALYSIS



IMPORTANCE TO ZORLU HOLDING

MANAGEMENT + STRATEGY + 4 FACTOR IMPACT ANALYSIS

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 our material issues as a significant tool in implementing our strategic approach.

Digital Transformation and **R&D and Innovation** correspond 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.

Financial Efficiency is one of the prerequisites of creating 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 look out for the ecosystem as a whole, and we pay attention to **Climate Change** and **Carbon Management** to reduce our environmental impact as we grow.

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 procurement
- 22 Social innovation
- 23 Improving digital literacy and access to technology
- 24 Transparency and reporting
- 25 Waste management
- 26 Data security and customer privacy
- 27 Circular economy
- 28 Water management
- 29 Biodiversity conservation and management

CORPORATE GOVERNANCE

WITH THE STRONG CORPORATE GOVERNANCE APPROACH WE HAVE ADOPTED IN LINE WITH SMART LIFE 2030, WE BUILD STRONG RELATIONS WITH ALL OUR STAKEHOLDERS AT ZORLU HOLDING AND GROUP COMPANIES, OBSERVING THE PRINCIPLES OF FAIRNESS, TRANSPARENCY, RESPONSIBILITY AND ACCOUNTABILITY.

ORGANIZATIONAL STRUCTURE

Zorlu Holding Board of Directors is composed of five members, one of whom is a woman. 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 Officer, Corporate Communications General

Manager and Internal Control General Manager report directly to the CEO. The Audit General Manager, on the other hand, while being 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.



CEO	CHIEF FINANCIAL OFFICER Strategy and Business Development Department Strategy and Business Development Management	Finance Department Finance Management Financial Report Department	Accounting Department Accounting Management	Corporate Risk Management Department	Treasury Department
CHIEF HUMAN RESOURCES OFFICER	Human Resources Department Human Resources Management Organizational Development Management	Purchasing Department	Technical and Administrative Affairs Department Technical Works Management	Corporate Security and Intelligence Department	
CHIEF LEGAL OFFICE	Legal Affairs / Domestic Legal Affairs Management	Legal Affairs Department / Energy & Foreign Legal Affairs Management	Legal Affairs / Real Estate	Competition Compliance Management	Data Protection Department
CHIEF INFORMATION OFFICER	Service Operations Department Server and Storage Systems Management Service Desk Department Network and Security Department Financial Processes and Central Systems Department	Service Development Department Project Management Office Quality Control Testing and Version Department Solution Development Department	IT and Business Development Department	Special Projects Department	
AUDIT GENERAL MANAGER	Tax Department Tax Advisory Department Tax Audit Department	Internal Audit Review Department	Internal Audit Process Department	Financial Audit Department	
INTERNAL CONTROL GENERAL MANAGER	Internal Audit Department				
CORPORATE COMMUNICATIONS GENERAL MANAGER	Corporate Communications Management				

ETHICAL PRINCIPLES, ANTI-BRIBERY AND CORRUPTION

Zorlu Holding Ethical Principles serve as a compass for the basic principles, values and ways of doing business of Zorlu Holding and all our Group companies. Concerning our entire workforce, the Ethical Principles are binding for our relations with all stakeholders, especially suppliers, business partners, dealers, authorized vendors and authorized services. Our Ethical Principles 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](#).

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

We inform Zorlu Group employees at all levels about the Ethical Principles, which guide us in all our business processes and responsibilities. Employees may access the Ethical Principles and related practices via Zone, Zorlu Group's internal communication platform.

PRINCIPLES OF ETHICAL PRACTICES AND TRAININGS

In 2018, we began building the infrastructure and content of an online training for our white-collar employees and prepared a comprehensive educational video accordingly. The online training, which includes case studies and takes about an hour, was first offered to Zorlu Holding employees in 2019 and was later extended to rest of the Group companies. 253 Zorlu Holding employees and 3,206 Group company employees completed the Ethical Principles training in 2019. We communicate the Ethical Principles, which include our fundamental working principles, to new employees through an onboarding program. We plan to provide in-class Ethical Principles training to blue-collar employees.

Employees are expected to embrace the Ethical Principles and act accordingly while carrying out daily duties/transactions. In case of any uncertainty regarding the content of the Ethical Principles and/or witnessing any behaviors or practices that violate the code, employees may report the case or consult the Ethical Principles Hotline via e-mail (etik@zorlu.com) or phone (0212 456 23 23 and/or 0850 226 23 23). Retaliation against employees for their reports is strictly prohibited. The Internal Audit Review Department under the Zorlu Holding Audit Department carries out all necessary examinations, inspections or investigations about the complaints, allegations or reports submitted to the Ethical Principles Hotlines. 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 review report on being unable to determine a violation of the Ethical Principles, to the CEO of the relevant company, Sector Head, members of the Ethics Committee, as well as the Board Members and the CEO. Reviews were completed for 9 of the 13 reports received in 2019 and an audit process was initiated for the remaining ones.

The Ethical Principles also covers the relevant regulations on Anti-Bribery and Corruption. 77% of the cases reported this year were evaluated within the scope of corruption. Following the Internal Audit Review Department's reviews, based on the recommendations by the Legal and Human Resources Departments on the audit report the 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) regarding 9 employees.

RISK MANAGEMENT

The Early Detection of Risk 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 is chaired by an independent Board Member and composed of other Board Members. This independent committee 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 Chairman 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. Following the meeting, the Committee Chairman presents the committee decisions to the approval of the Board of Directors. The CFO is the highest-level executive responsible for risk management at Zorlu Holding.

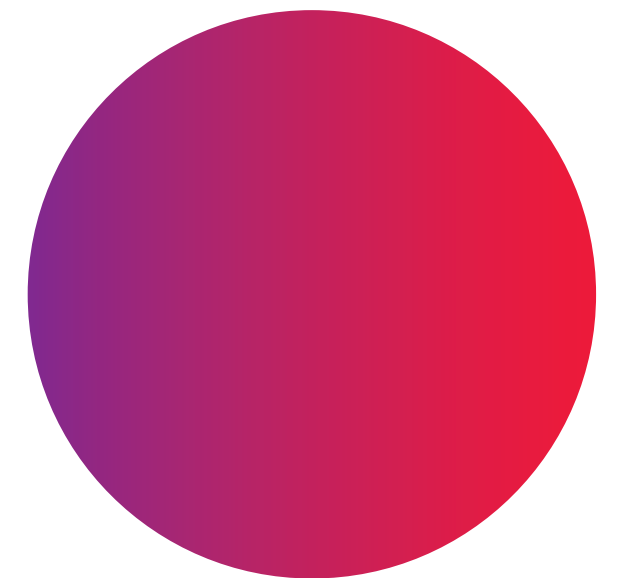
The effective management of risks is crucial for the sustainability of our companies and activities. Throughout our Smart Life 2030 journey, we strive to manage risks in the most effective way by combining analytics with our experience and expertise. Within the scope of risk management, we aim to effectively manage and eliminate all risk factors that may have a negative impact on the company's sustainability. In 2019, the Early Detection of Risk Committee initiated preliminary work to pilot the Risk Management System at Zorlu Enerji as part of sustainability efforts. The preparatory work for the pilot is scheduled to start in 2020. Our progress in 2019 included:

- Diversification of the generation portfolio by investing in different energy resources,
- Evaluation of the legal, political, etc., risks before and after the investment by obtaining consultancy services as and when necessary
- Adoption of investment-specific management styles,
- Formulating innovative strategies with respect to sales and marketing,
- Use of alternative financing methods (derivative instruments) for asset and liability management,
- Use of alternative financing methods,
- Making use of various derivative instruments for hedging purposes, when necessary,
- Developing necessary plans for recovering and resuming critical systems, technical infrastructure and facilities in alternative sites in case of a natural disaster or contingency, regularly monitoring business continuity and emergency action plans and conducting drills,
- Determining a broad insurance coverage for all Group companies within the Holding regarding fixed assets and the liabilities and operational risks of industries arising from operations to transfer potential risks to insurance companies and minimizing the potential tangible effects of such incidents.

In 2019, 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, which allowed us to analyze risk awareness and carry out probability-impact analyses. We also provided Cyber Risk Awareness Trainings. In

2019, the Early Risk Detection Committee submitted the following six risk reports to the Board of Directors in order to ensure adequate oversight of corporate risk management processes:

- 1 Energy Risks Survey Evaluation Results 2018
- 2 Risk Assessment of Zorlu Enerji's 2018 Financial Performance
- 3 Zorlu Enerji Financial Risks Report
- 4 Zorlu Holding Corporate Risk Management
- 5 Zorlu Holding and Group Companies Cyber Risk Information Report
- 6 Cyber Risk Insurance Information Report





FINANCIAL RISKS



HOW DO WE MANAGE THEM?

LIQUIDITY RISK

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

FINANCIAL RISK

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

FOREIGN CURRENCY RISK

External funding used in financing investments and raw material procurement by Group companies under Zorlu Holding are mostly in foreign currency. As a result, the Group is exposed to foreign currency risk. We eliminate this risk primarily by routine methods of balancing the accounts. When necessary, we hedge with derivatives to minimize potential negative impacts. We alleviate the impact of fluctuations in the current market values of the derivatives on financial statements by means of hedge accounting.

INTEREST RATE RISK

Group companies under Zorlu Holding are affected by the changing interest rates in domestic and global markets as they fund their investments with various external funding resources. As a result, the Group is considerably affected by fluctuations in interest rates. We use various derivatives to minimize this risk. We alleviate the impact of fluctuations in the current market values of the derivatives on financial statements by means of hedge accounting.

CREDIT RISK

Credit risk is defined as the possibility of a borrower or a party of a contract to be unable to meet contractual obligations. Regarding this risk, the Holding employs comprehensive Receivables Risk Management. Our systematic management framework includes an Internal Rating Mechanism and most notably Credit Insurance. We embrace a preventive approach in receivables management. For instance, we obtain financial reports from outside sources and carry out Intelligence Activities about customers with whom we are in a commercial relationship. Moreover, we request Letters of Guarantee, Bank Checks, etc. from customers for assurance against receivables risk. Measures and actions taken regarding receivables risk management are monitored and approved by Group companies' Credit Risk Committees.

ECONOMIC RISKS

Economic risks manifested through shrinking demand, recession, inflation, increasing energy and commodity costs negatively impact Group companies in investment and operation phases. We measure possible related negative impacts via scenario and stress test analyses and develop different actions for each case. The Risk Committee periodically reports to the Board of Directors on economic risks that might affect investment opportunities.



NON-FINANCIAL RISKS



HOW DO WE MANAGE THEM?

STRATEGIC RISKS

Measures to take against Strategic Risks require full-fledged projects and strategic risks are directly reported to the senior management. Zorlu Holding Corporate Risk Management Department monitors and reports general or industry-specific strategic risks. Strategic risks, such as competition that affect market share, change in customer demands, development of products and services, investments and growth are managed by diversifying investments in various industries and countries, accurate and timely assessment of changes in all fields. Business Development and Strategy Directorate coordinates all necessary activities regarding these risks and opportunities with relevant departments. We assess legal, political, etc. risks regarding Zorlu Holding's overseas investments pre- and post-investment with the help of consulting services when necessary, and adopt country-specific courses of action and management frameworks.

OPERATIONAL RISKS

Operational risks arise due to transactions necessary for daily practices and they need to be improved. With the activities of the Holding's Audit, Financial Audit, Internal Control and Tax Audit Departments; we control and audit all operational processes (procurement, production, delivery, transportation, sales, human resources, customer services, information technologies, etc.) of the Holding and Group companies.

BUSINESS CONTINUITY RISK

We strategically prepare contingency plans regarding saving and recovering functionality of critical systems, technical infrastructure and facilities in alternative locations during or after disasters, unexpected incidents or emergencies. We periodically revise these plans and test their applicability with necessary drills.

LEGAL RISKS/COMPLIANCE

We manage legal risks such as changes in regulations, lawsuits, tax disputes, violation of intellectual property rights, unfair competition, critical issues in contracts with stakeholders and related risks through well-coordinated communication between all relevant units within Group companies and the Holding.

REPUTATIONAL RISK

Exposure to all risks may negatively affect the reputation of the Holding and Group companies. We manage reputational risk through maintaining multi-dimensional, consistent and continuous communication with all stakeholders. Moreover, we protect our brand value and reliability by integrated management of all communication processes in line with strategic business goals. To this end, the Corporate Communications Department was established at the Holding and provides representation at the CEO level.

INFORMATION SECURITY RISKS

Information security related risks have recently become increasingly more effective and we try to mitigate their potential negative impacts on activities primarily by reinforcing our infrastructure. Efforts on the traceability of technological infrastructure include various external scans as well. Furthermore, we closely follow laws and regulations regarding information security and strive to ensure maximum compliance with them.

ENVIRONMENT/HEALTH/SAFETY-RELATED RISKS

We follow all policies and procedures regarding compliance with legal standards on environmental health, stakeholder safety and health across all Group companies and the Holding. All Zorlu Holding employees go through mandatory occupational health and safety training in accordance with regulations. We transfer risk through natural disaster and terrorism risk insurance.

TRANSFER OF NON-FINANCIAL RISKS

We design and purchase insurance policies customized for each subsidiary for the insurable risks of Zorlu Holding and all Group companies with regard to fixed assets, loss of profit, liability and transportation. We work with brokers best suited for each insurance policy, thus monitoring the impact of developments in the global and local market on relevant industries.

AUDIT

The audit of Zorlu Group companies is carried out by the centralized Audit Department operating within Zorlu Holding. Comprised of Internal Audit Process, Internal Audit Review, Financial Audit, Tax Audit and Tax Advisory Departments, the Audit Department carries out activities on 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.

Throughout the year, the Audit Department organizes monthly meetings with the CEO and Board of Directors. In these audit evaluation meetings, participants evaluate planned and actual audits, consulting services, and special audits. They share findings, review action plans and follow-up results based on these findings, and then review plans for the upcoming period.

For more details about the Zorlu Holding Audit Department, please see our [2019 Annual Report](#).

INTERNAL CONTROL SYSTEM

Developing and implementing an internal control mechanism effective in all activities and processes is an integral 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 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. In addition, 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 in establishing, monitoring and evaluating internal control systems and taking the necessary measures.

For more details about the Zorlu Holding Audit Department, please see our [2019 Annual Report](#).

Akıllı Hayat

2030



Inspire

INSPIRE

People are at the center of the age of transformation that we are living in. As part of our Smart Life 2030 vision, our employees, with whom we shape the future, are the greatest asset of Zorlu Holding and Group companies. Creativity, diversity, inclusion and equality are indispensable principles of our work environment. Whilst observing these principles, we motivate our employees to work with passion and commitment; we inspire them to achieve our aspirations. We lay the groundwork for competency development, and improve our culture of innovation through programs that will boost creativity. We focus on producing solutions to problems facing

DIVERSITY

WE ARE 25,000¹⁹ EMPLOYEES STRONG, EMBRACING A PRODUCTIVE WORK CULTURE WHERE EQUAL OPPORTUNITIES ARE CHAMPIONED AND CREATIVITY IS FOSTERED THROUGH DIVERSITY OF OPINIONS AND VOICES.

Employees boasting different competencies and skills bring diversity to workplace, boost business performance, and improve products and services - all of which contribute to a competitive advantage. According to the 2018 Diversity Report, 45% of companies with high diversity and inclusion performance saw an increase in their market share and 70% were likely to succeed more in expanding into new markets.²⁰ Moreover, of those that participated in the survey, which was conducted to understand institutions' approaches to diversity and inclusion (D&I) in Turkey, 63% believes that D&I practices increase satisfaction in the workplace, 61% thinks that these practices contribute to overall performance and 50% says that they allow for a better management of work-life balance.²¹

At Zorlu Holding and Group companies, we embrace a productive and equal opportunity-based work culture where diversity is championed and creativity is fostered through diversity of opinions and voices. We have a diverse workforce of close to 25,000¹⁹ people. Valuing

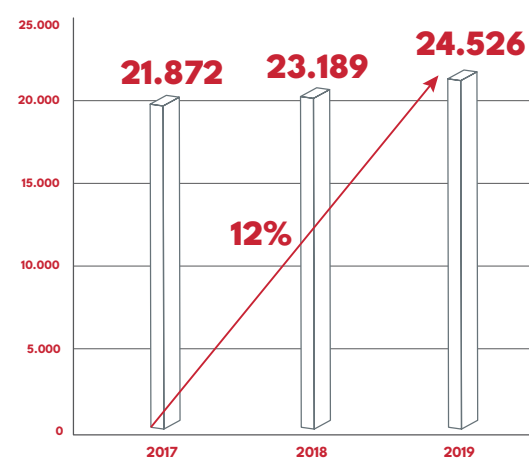
the planet, the world, and society through collective wisdom and an innovative perspective. We reinforce an innovative work culture where our employees can volunteer, take initiative, and serve as solution partners in the face of any challenge.

Working with the right talent is key to success and a competitive advantage; however, one of the biggest struggles of companies today is attracting talent.¹⁸ Zorlu Holding's human resources strategy is based on working with the right talent while investing in its human capital in order to move its business forward.

dynamism, innovation and creativity across all our business processes, we thrive on inclusion and diversity, and commit ourselves to ensuring equality throughout society, especially in the business world.

We believe that diversity is essential for achieving equality and gender equality at work. We act with the responsibility of propagating equality, starting from the business community and throughout the society at large. Our goal is to create an ecosystem where all employees have equal opportunities and women participate more actively in all aspects of life. To serve this purpose, we do not discriminate on the basis of religion, language, race, ethnicity, gender or sexual orientation in any of our human resources processes, from recruitment to remuneration.

OF EMPLOYEES BY YEAR*



* Indicates the total number of employees in the companies covered in the report.

GENDER EQUALITY

In order to ensure equality in business and to close the ever-widening gender gap in the workforce and economic activities, we recognize the need for higher representation of women in business, as well as the need for supporting women who are already in leadership positions. According to McKinsey's Women Matter 2017 report, companies with three or more women on their executive committees score higher in organizational performance than companies with no women at the top.²²

We know that in order for women to be able to participate in the workforce on equal terms, gender equality practices must be developed to support women leaders and role models. We have the necessary resources and passion to effectively contribute to all areas of social development and to support gender equality in all aspects of life, especially in business. As we act on our passion, we are guided by our Smart Life 2030 vision, which we created in line with the United Nations Sustainable Development Goals. We have been a United Nations Women's Empowerment Principles (UNWEP) signatory since 2015. We support not only raising the women employee ratio, but also raising the number of women in senior management and other decision-making mechanisms.

We are one of the founding members of the 30% Club in Turkey, which aims to improve the gender balance and increase the ratio of women in companies' decision-making mechanisms, board of directors and senior management to 30%. We support the Buy from Women, Let the Country Win campaign by the Women Entrepreneurs Association of Turkey (KAGİDER) to have more women in the supply chain and to help empower women in society. We are also a part of the KAGİDER Equal Opportunity Model (FEM), implemented to ensure equal opportunity in human resources processes.

As part of our Smart Life 2030 vision, we have specific targets to increase the number of women employees and managers in our companies. For 2025, we plan to revise our target of women representation in senior management (AGM and above) as 30%. Women constitute 30% and men

constitute 70% of all Group employees. At Zorlu Holding, 49% of employees are women and 51% are men.

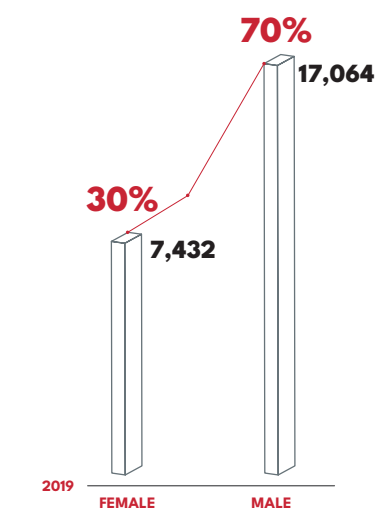
Within the framework of our Smart Life 2030 vision, our **Gender Equality Strategy** helps us raise awareness on gender equality and adopt it as our corporate culture. The Gender Equality Working Group, which we established with the voluntary participation of our colleagues from Zorlu Holding and Group companies, is responsible for activities related to gender equality under the leadership and supervision of the Gender Equality Committee.

The top-down leadership approach at Zorlu Holding forms the backbone of our strategy. To that end, we have created a three-pronged strategy framework to evaluate all functions of the organization from a gender equality perspective with an inclusive approach.

²² McKinsey Women Matter, 2017.



EMPLOYEES BY GENDER



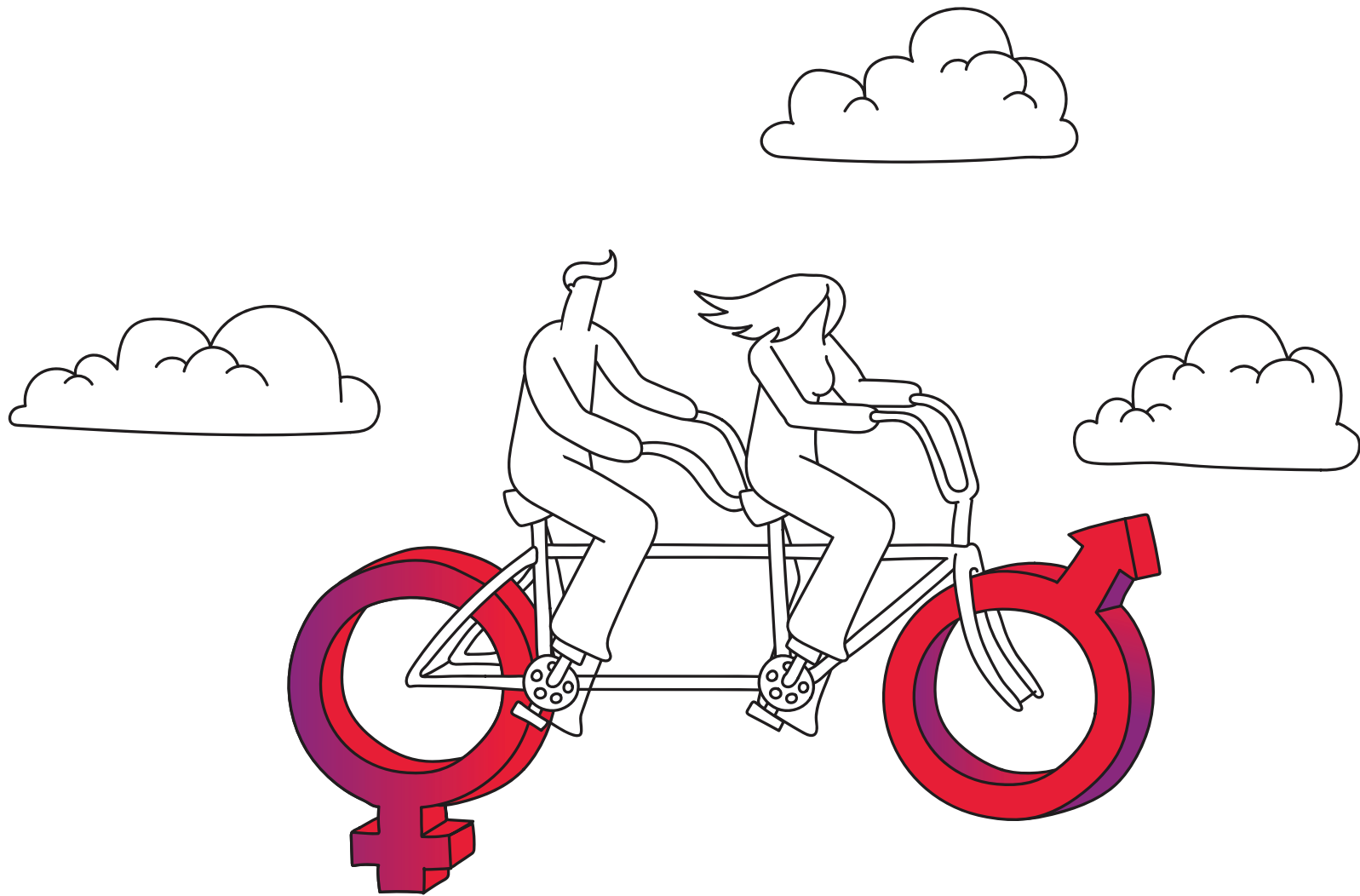
¹⁸ Talent trends 2020, PwC

¹⁹ Indicates the total number of employees in the companies covered in the report

²⁰ McKinsey Diversity Report, 2018

²¹ Kurum İçi Çeşitlilik ve Kapsayıcılık, Michael Page

EŞİT Bİ'HAYAT (AN EQUAL LIFE)



*

AS PART OF OUR DIVERSITY AND INCLUSION EFFORTS, WE CHAMPION GENDER EQUALITY IN ALL OF OUR COMMUNICATION ACTIVITIES AS WELL AS COLLABORATIONS WITH THE BUSINESS WORLD, CIVIL SOCIETY AND ACADEMIA AND MAKE IMPROVEMENTS IN THE WORK ENVIRONMENT AND OUR HUMAN RESOURCES PROCESSES ACCORDINGLY.

LEADERSHIP:

We pioneer gender equality efforts in the business world as we evaluate our discourse, actions and collaborations through the lens of gender equality.

1 DISCOURSE:

Awareness on gender equality is mostly reflected in discourse and language. Therefore, we safeguard gender equality in communications in order to raise awareness in Zorlu Group and its companies. We prepare guidelines to increase sensitivity to this issue and ensure that all internal and external communication activities follow them. We act in line with these guidelines in areas that make up the main components of discourse, from advertising to corporate and internal communications.

In this context:

- We are developing an auto-correct add-on solution for Microsoft Office products to set a language benchmark that can be shared with external stakeholders to promote gender equality with a holistic approach, including both the public and private spheres. Our objective here is to automatically correct sexist language in our correspondences.
- We have revised the Employee Engagement Survey with a gender equality perspective and added questions to better understand the equality approach adopted at Zorlu Group and Group companies.

2 WORK ENVIRONMENT:

We believe that the business world is in an excellent position to ensure gender equality. We are enhancing workplaces with a gender equality perspective so that all employees, regardless of gender, are able to pursue their careers in a fair and secure manner.

In this context:

- We organized the Superpower of Motherhood (Anneliğin Süper Gücü) project, a mentorship program at the Holding, featuring talks where mothers who have recently returned from maternity leave come together with female executives, to share their experiences and come up with solutions to make their motherhood journey easier.
- By integrating gender equality into the metrics utilized by the Human Resources departments, we started monitoring gender equality in matters such as recruitment, training and remuneration, and took actions to eliminate the gender gap, if there was any.

3 COLLABORATIONS:

We aim to raise awareness exponentially by cooperating effectively with our external stakeholders to empower women economically, and by extension, socially. We are currently working on large-scale actions such as encouraging entrepreneurship among women, and supporting female business owners and employees in the supply chain through positive discrimination.

In this context:

- We partnered with NGOs to get their feedback on the subject and identified areas for project development. We visited other private sector companies and organized meetings with them.



* GE (Gender Equality) Working Group

2019 OVERVIEW

In an effort to transform the corporate culture and raise awareness on gender equality, we organized workshops and events with the participation of employees from Corporate Communications, Marketing and Human Resources departments and Sustainability Working Groups. Our goal is to expand these workshops which enable the adoption of a gender equality perspective in communications with internal and external stakeholders, advertisements, and promotional campaigns.

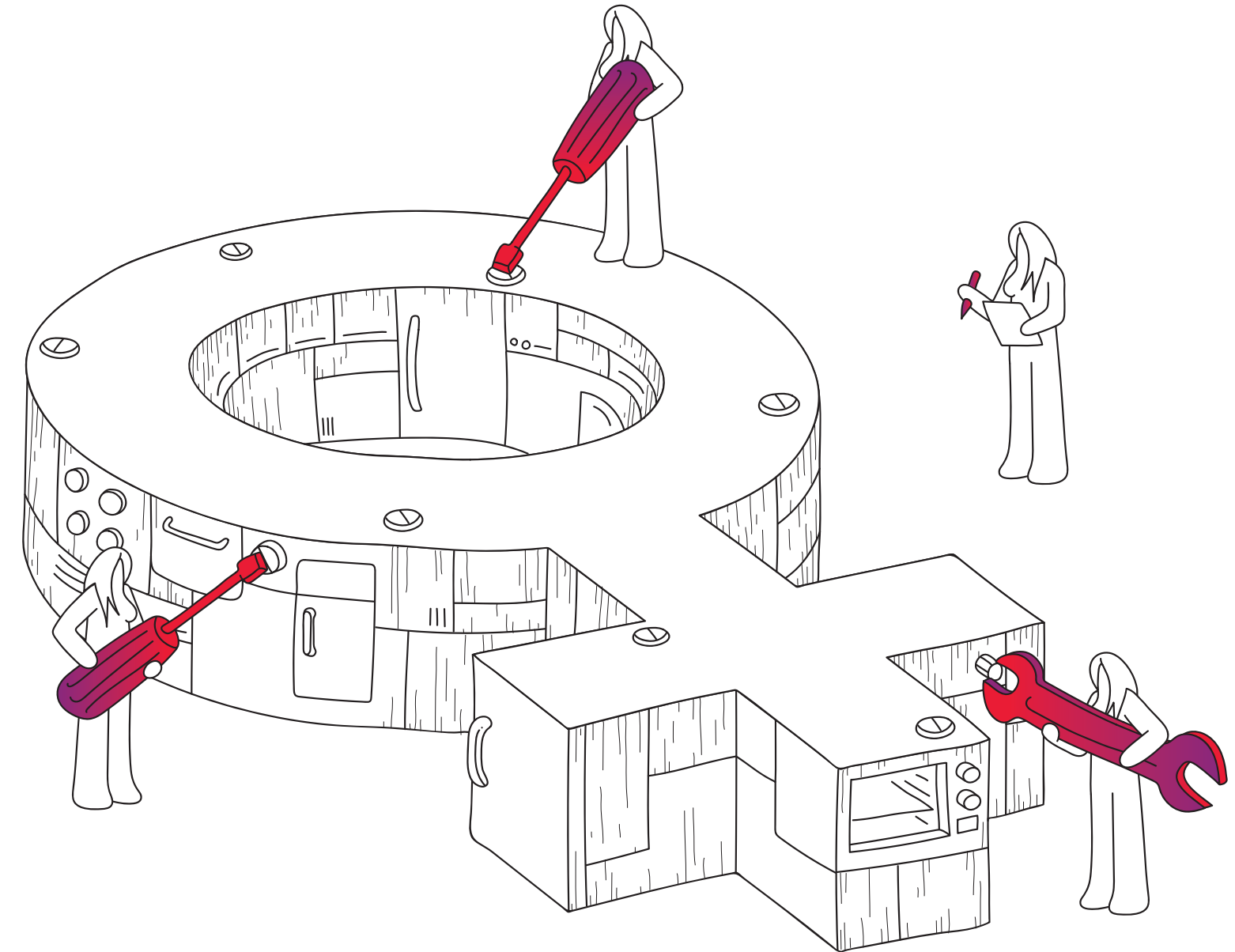
- In the meetings held in Manisa and Istanbul, GE (Gender Equality) Working Group prioritized project proposals that fit the strategy framework, which were subsequently submitted to the Committee.
- We supported the 16-day Activism Campaign as part of the International Day for the Elimination of Violence against Women. We contributed to the awareness-raising efforts by lighting up our Headquarters in Levent 199 and Zorlu Center in orange between November 25 and December 10 (November 2019).
- We came together with NGOs, business community, entrepreneurial ecosystem and our employees in cooperation with the 30% Club on March 8, International Women's Day to listen to the success stories of female experts from all walks of life, and discuss gender equality from a legal, social, economic and cultural standpoint.

New Generation Mother Talks at Vestel

Café Vesto branches, which Vestel opened in 2016, held events called "Café Vesto New Generation Mother Talks" for mothers, future mothers and parents in 2019. As part of the events, the speakers and participants touched on a wide range of issues such as family communications, strengthening communication with children, maintaining a professional life and parenting.

Women Technicians Training Project

Women Technicians employed at Vestel Authorized Service Shops continue to work during the pandemic. Women Technicians, who have proved to positively contribute to our customer satisfaction rates, deliver exemplary services. In total, 45 Women Technicians have graduated from the program since March 8, 2019, when the project produced its first graduates. The trainings for Women Technicians serving in 20 provinces have been suspended briefly due to the pandemic. Preparations to resume the project in the upcoming period are underway.



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WE STRIVE TO CREATE AN ECOSYSTEM WHERE WOMEN CAN PARTICIPATE IN THE LABOR FORCE MORE AND ON EQUAL TERMS AND HOPE TO SET AN EXAMPLE FOR THE SOCIETY WITH OUR WOMEN TECHNICIANS TRAINING PROJECT.

Zorlu Enerji's Gender Equality Program

In collaboration with all stakeholders, from employees to suppliers, Zorlu Enerji took the first step in its gender equality advocacy efforts in 2019 in the Osmangazi Region. As part of the initiatives launched in line with Zorlu Holding's Eşit Bi'Hayat (An Equal Life) strategy in the previous year, efforts to ensure gender equality in employment were accelerated, and the entire portfolio of the company's visual and written material was reviewed and revised through the lens of gender equality.

Zorlu Enerji, a signatory to the United Nations' WEPs (Women's Empowerment Principles), established a strong organizational structure through its internal working groups and committees, and integrated the process into its corporate management approach.

Actively maintaining strong relationships with women's associations, including annual donations to KEDV on occasions of Mother's Day and Women's Day, the company is represented at various events organized for women engineers (TWRE Women's Day, Green Classes Trainings), in addition to sponsoring and providing training support to leading industry-specific platforms (the Women Energizing Turkey Award Ceremony).

Represented at the Gender Summit held in Rwanda in 2019 by its Human Resources Director, Zorlu Enerji continues to make great strides in its gender equality journey with mentorship projects, seminars and workshops, outperforming its employment targets.



* Zorlu Enerji, GE (Gender Equality) Launch

EMPLOYEE SATISFACTION

We are committed to providing employees with a motivating and engaging work environment where they will feel valued and happy, and enjoy fair and equal working conditions and employee benefits. For this purpose, we consider all employees feedback. We identify areas of development in Zorlu Holding and Group companies with a Holding-based employee loyalty and satisfaction survey. Depending on the results of the survey, each company takes certain actions in accordance with the dynamics of its sector. Thanks to these efforts, Zorlu Group's General Loyalty score recorded a 4-point increase over 2017 to hit 52 in 2019. Employee satisfaction was 67.

TALENT MANAGEMENT

AS WE MAKE PROGRESS TOWARDS OUR SUSTAINABILITY GOALS, WE DEVELOP APPLICATIONS THAT GIVE US A COMPETITIVE ADVANTAGE AND SUPPORT TALENT WHO CAN CREATE INNOVATIVE SOLUTIONS WITH AN ENTREPRENEURIAL SPIRIT.

Recent research studies prove that companies with effective talent management capabilities enjoy a significant competitive advantage and high corporate performance.²³ For this reason, we prioritize talent development opportunities in order to become a preferred employer and to manage the impact of today's technological and socio-economic changes on our companies. Digitalization and the ability to stay up-to-date with the latest developments in the demands, expectations and priorities of the new generation pave the way for significant improvements. This is because digitalization enables employees to seize various training and development opportunities more quickly and effectively, without the constraints of time and location. Moreover, digital competencies are known to boost efficiency in business processes.

To sustain our success in our fields of operation, we are committed to continuing our journey into tomorrow with solution-driven talents who closely follow future trends, quickly adapt to change, embrace an agile and dynamic work culture and care about the challenges facing our world. We prioritize employing young talent as well. As we make progress towards our sustainability goals, we develop applications that give us a competitive advantage and support talent that can create innovative solutions with an entrepreneurial spirit.

We offer training and development opportunities to empower our employees at Zorlu Holding and Group companies. In 2019, we provided 7.8 hours of training per employee, or a total of 13.5 hours with the OHS trainings included.

We support career development by offering horizontal and vertical career development opportunities across our companies. To serve this end, we employ promotion and horizontal rotation systems suitable for our companies' needs and employees' career objectives. While practices may vary depending on the strategies adopted by Group companies and industry-specific differences, all companies make performance evaluations within the scope of talent management. In 2019, the human resources teams of the Group redesigned the Performance Management System model and created a benchmark model, and the new system began to be implemented for managers and above in 2019. We also initiated a project for the digital transformation of the infrastructure of the Group-wide Human Resources Information Systems. At the end of 2019, we launched the performance module on this system. Evaluation results provide insight into many human resources processes, from training and development planning to career development.

We organize Dialogue Conferences in order for our employees to follow the developments and trends in the economic, political and social landscape and exchange ideas with experts. Through our sustainability-centric Küçük Bi'Mola (A Short Break) events, we support well-being both in corporate and social life, and enable personal development.

We make sure our employees stay up-to-date on sustainability agenda by sharing news from the private and public sector regularly. We also issue a weekly Smart Life 2030 Newsletter, where environmental and social developments from around the world are featured.



²³ Winning with your talent: management strategy, McKinsey, 2018



* Intrapreneurship Process and selected teams

WE SUPPORT THE SPIRIT OF ENTREPRENEURSHIP AND INNOVATION WITH PARLAK Bİ' FİKİR

Our goal by 2022 is to establish an innovative corporate culture where our employees are encouraged to focus on intrapreneurship and open innovation, and their ideas are voiced freely and supported with an entrepreneurial perspective. To serve this end, we launched the intrapreneurship program titled **Parlak Bi' Fikir (A Bright Idea)**. We held issue-based workshops and identified several focus areas before making a call for ideas across Zorlu Holding and Group companies. After 320 ideas were submitted in line with the issues identified, the jury selected seven ideas to be developed with design thinking. The teams, whose innovation and creativity competencies were identified based on their interests and skills, made their first seed-funding pitch at the end of three months. Five teams were able to secure funding and progressed towards the final investment process with mentorship support. Following an eight-month period, three teams qualified for a seat at investment meetings with Vestel Ventures based on the jury's decision, two of which launched their own start-ups at the end of the program. Throughout the process, we hosted many guests from the ecosystem, and each start-up idea was provided with one-on-one mentorship sessions, as well as trainings in areas such as digital marketing, teaming, leadership, pitching techniques, and support in areas such as human resources, budgeting and law. The first cycle that reinforced the spirit of innovation and entrepreneurship within the group came to a close in November.

Find our "Intrapreneurship Process" video [here](#).

SMART LIFE 2030 MEETINGS

We launched the Smart Life 2030 Meetings in order to communicate our Smart Life 2030 vision with our employees, engage them in evaluating our progress and goals, listen to good examples from the private sector, and lay the groundwork for sharing experiences. Moderated by journalist Emin Çapa, these meetings focused on R&D and Innovation, Environment, Employees, Customer Relations and Supply Chain, which constitute the focus areas of the working groups reporting to the Sustainability Committee.

SMART LIFE ACADEMY

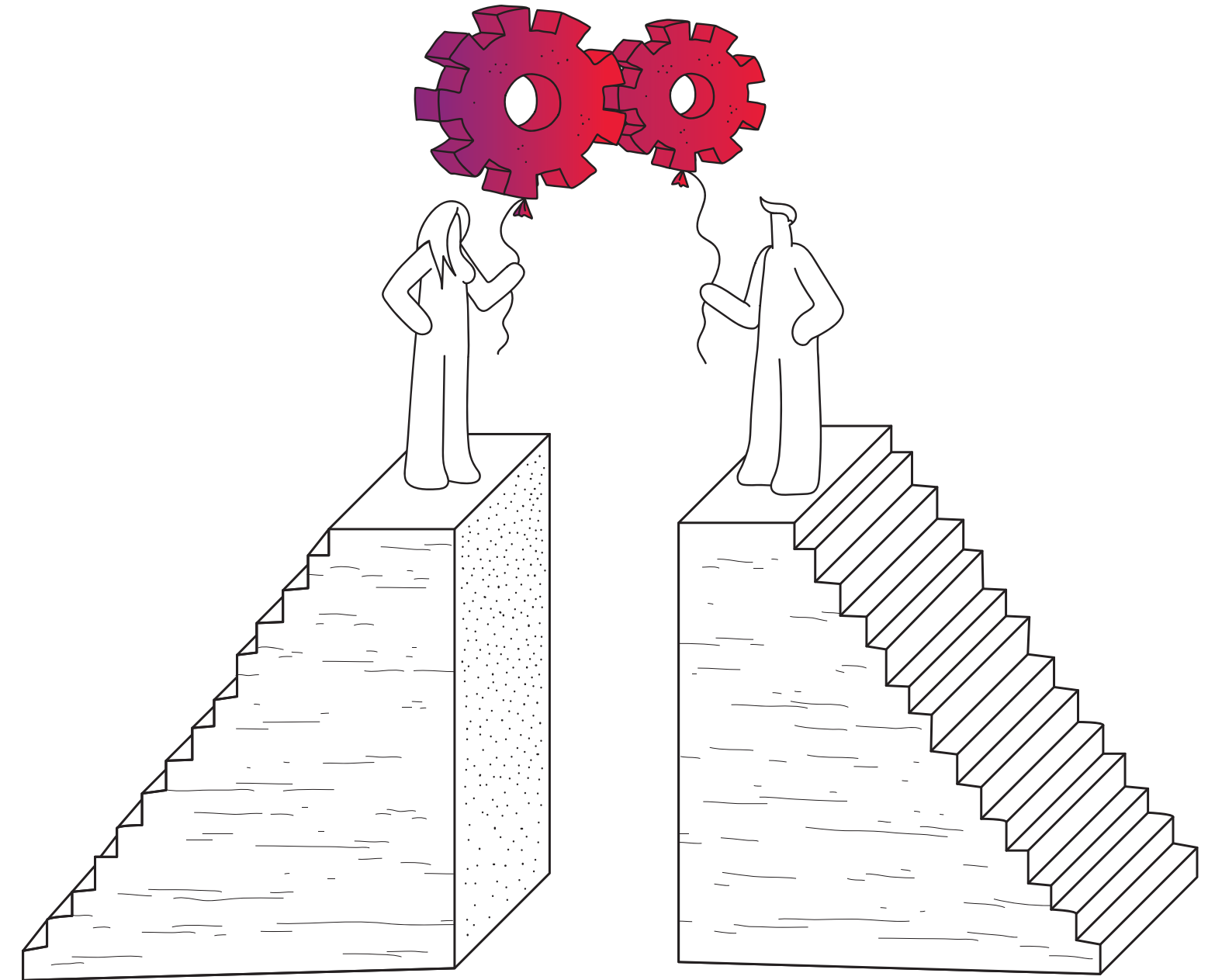
As part of our 2022 and 2030 goals, we have implemented the Smart Life Academy in order for Smart Life Architects employed at Zorlu Holding and Group companies to broaden their sustainability vision, learn from model practices around the globe, improve themselves by analyzing these practices. At the Academy, which was a 24-hour program organized in cooperation with Boğaziçi University, participants were trained on various topics such as future trends, sustainable innovation and technology, intrapreneurship, strategy, sustainability leadership, and being a purpose-driven company. Smart Life Architects became eligible for a certificate after completing the training program with a minimum attendance rate of 80%. Participants who scored high in the post-training evaluation were also awarded a certificate of achievement by the Boğaziçi University Lifelong Education Center.



* Smart Life 2030 Meetings, Emin Çapa



* Smart Life Academy



*

WE EMPOWER THE SPIRIT OF ENTREPRENEURSHIP AND INNOVATION WITHIN OUR CORPORATE CULTURE THROUGH OUR INTRAPRENEURSHIP PROGRAM PARLAK Bİ' FİKİR.

ZORLU TEXTILES GROUP'S NEW GENERATION MT PROGRAM

At Zorlu Textiles Group, we design special recruitment processes for candidates who graduated from engineering faculties. Through the program we launched in September 2019, we employed 42 young engineers. Engineers selected as part of the New Generation Management Trainee (MT) Program received a six-month textile training at Istanbul Technical University after starting work, attended the Micro MBA (a short-term Master of Business Administration program) and were offered various customized training courses during their employment.

TECHNOLOGY ACADEMY PROGRAM AT VESTEL

Vestel Technology Academy Program, which was initiated in 2010 in cooperation with Özyeğin University, offers an educational content comprised of technical trainings, practical applications and projects designed specifically for Vestel. Designed to allow researchers and professionals to teach the techniques developed in electronic products and consumer durables sectors to engineers, the goal of the program is to enrich the knowledge and skills of employees serving in technical functions such as R&D, quality and production. Within the framework of the program, employees who attend the academy are presented with the opportunity to receive a master's or doctorate degree in electrical, mechanical, computer or industrial engineering. So far, 248 employees have graduated from the program, which currently has 165 active students.

CORPORATE VOLUNTEERING

Corporate volunteering enables our human resources to develop their various competencies while boosting motivation in both their professional and personal life. It also provides opportunities for individuals to expand their social circles. Employees engaged in volunteer efforts build self-confidence, as well as develop their teamwork skills and gain a sense of responsibility, which gives them an advantage in the workplace. In addition to contributing to the talent development in Zorlu Holding and Group companies, we also encourage volunteering to create social benefit.

KIVILCIMLAR

Kivilcimlar, our corporate volunteering program, has been active since 2018 to initiate more comprehensive and sustainable projects by providing a unified platform for volunteering across the group. Our volunteering activities are aimed at making volunteering part of our Group culture, and in doing so, contributing to solving social problems in line with our focus areas: the environment and the elimination of inequalities. Kivilcimlar kicked off its Anatolian tour in December 2018. We held the first leg of the roadshow for employees at Zorlutek in Lüleburgaz, and the second for employees at Vestel and Meta Nikel in Manisa and Gördes.

In November 2019, together with all volunteers, we organized the Kivilcimlar Workshop, which aims to expand and diversify the composition of Kivilcimlar, devise annual action plans to standardize projects, and to allow volunteers to share their feedback, raise their concerns and motivate their peers.

As part of our activities, we cooperate with leading, prestigious NGOs such as the Octopus Volunteers Association, Hope Foundation for Children with Cancer (KAÇUV), Tohum Autism Foundation, Laughter Heals Association, Association for Child Education, Science Heroes Association, Private Sector Volunteers Association (ÖSGD), Spastic Children's Foundation of Turkey (TSCV), Down Syndrome Association and Basic Needs Association (TIDER). In 2019, **1,272 individuals from across Zorlu Group completed a total of 4,965 volunteer hours.**²⁴

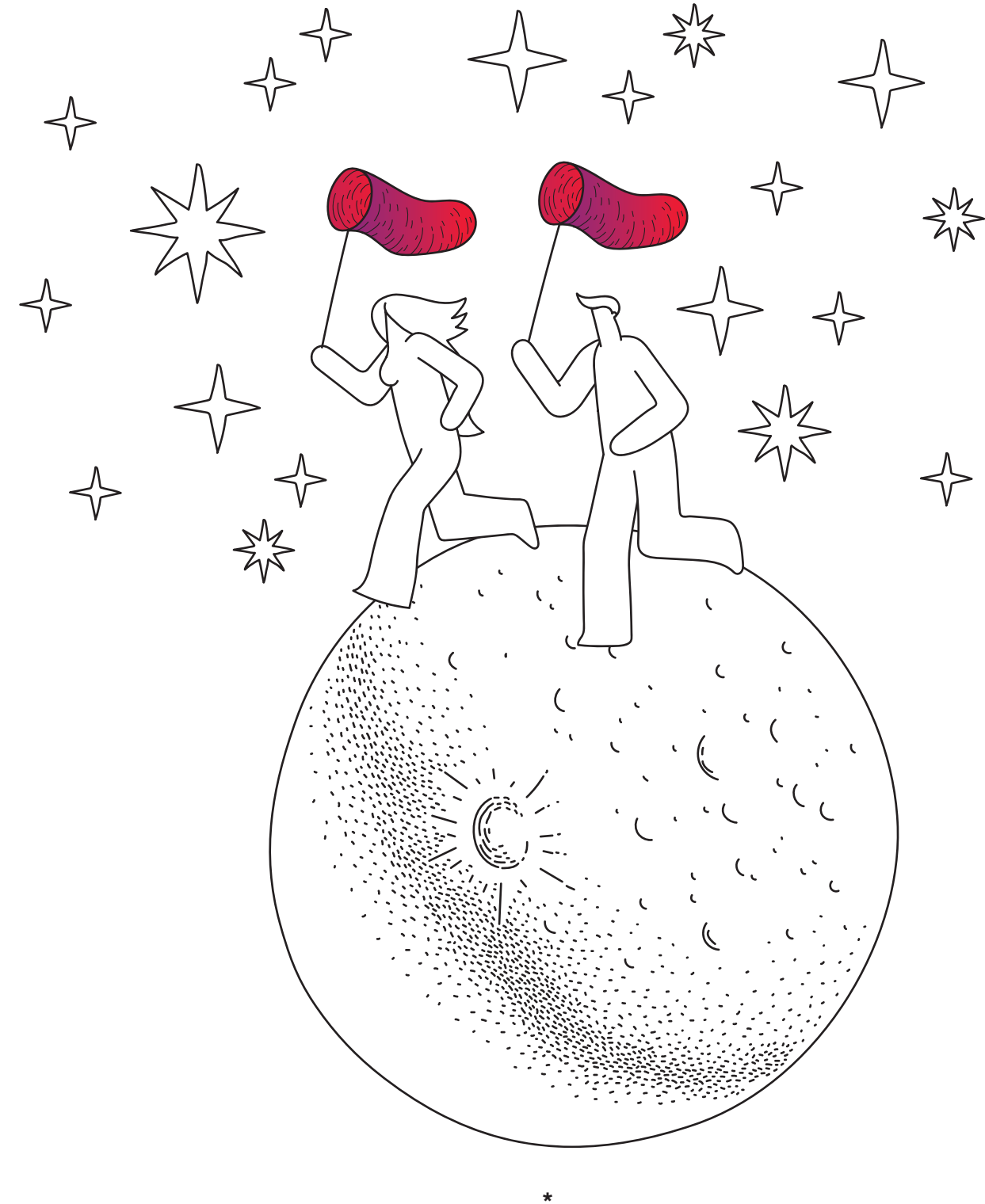


* Kivilcimlar

Find our "Kivilcimlar - Employee Volunteering Week: KAÇUV" event video [here](#).



²⁴ Indicates total volunteers and volunteer hours with the exception of Meta Nikel



WITH OUR CORPORATE VOLUNTEERING MOVEMENT KIVILCIMLAR, WE AIM TO EMBED VOLUNTEERING INTO OUR CORPORATE CULTURE AND BE PART OF THE SOLUTION OF SOCIAL PROBLEMS.

Senior executives and a large number of employees came together for the Employee Volunteering Week on May 13-19, 2019. Our Board Member Selen Zorlu Melik prepared packages for the Hope Foundation for Children with Cancer to meet the personal care needs of inpatient children and their families, and our CEO Ömer Yüngül sold the products he designed at the Kivılcımlar Charity Sale to raise funds for the Tohum Autism Foundation.



Zorluteks employees helped the Octopus Volunteers Association, which aims to deliver second-hand goods to people in need, organize the Donation Assessment Center event at the Lüleburgaz factory. The volunteers sorted, washed, ironed and packaged the second-hand items, making them ready to be delivered to those in need.



OCCUPATIONAL HEALTH AND SAFETY

DOING OUR JOB
SAFELY AND RESPONSIBLY
IS ONE OF OUR
PRIORITIES.

The various industries where we operate have different levels of Occupational Health and Safety (OHS) risks associated with them. An effective management of these risks is crucial in providing employees with a safe work environment. For instance, generation and maintenance processes of the energy industry are regarded as high OHS risk activities, while the textile industry, both domestic and global, has its own OHS challenges that involve ensuring safe working conditions. At Zorlu Holding and Group companies, we approach OHS from a risk perspective, analyzing

and mitigating all workplace health and safety risks. Doing our job safely and responsibly is one of our priorities. We safeguard employee health and ensure occupational safety at every aspect of our operations to attain our goals of our zero work-related accidents and zero occupational disease.

We comply with national and international legislations and regulations as we strive for a healthy, safe and decent work environment with practices that go above and beyond legal requirements. We organize applied and interactive OHS training programs to instill occupational health and safety into our corporate culture. In these programs, we also provide information on topics such as quality, environment, energy and information security. At Zorlu Holding and across the Group companies, we provided 5.6 hours of OHS trainings per employee on average in 2019. In addition, we prepare our employees for OHS-related risks they may encounter in the work environment through drills and information brochures designed with OHS-themed scenarios.

There were no fatal work-related accidents in any of our companies in 2019.

Having updated its zorlucenter.isgtesis.com system to ensure compliance with Zorlu OHS standards among its business partners, Zorlu Real Estate is now able to utilize the system to collect, check and inspect all the documents required by the OHS policy. In doing so, Zorlu Center aims to effectively fulfill business requirements in line with its goal of zero work-related accidents and to ensure that both subcontractors and tenants align themselves with its OHS approach. The system is expected to ensure the compliance of OHS documents related to the protection of personal data, reduce e-mail traffic, ensure OHS alignment between the customer and the employer through a single system both before and after, streamline the approval process for the companies to be worked with, create a pool of approved companies for reaching those that meet OHS requirements in every industry and ensure customer satisfaction.

The lubrication system was mounted on the platform in order to control the sealing systems of the product pumps used in production without the need to work at height, thus making the control and maintenance of systems easier. Compared to the previous practice of climbing the platform frequently, this change enabled employees to work on the ground and reduced OHS-related risks. In addition, OHS-related risks were reduced by adding a second safety valve to the furnace safety circuit.



OUR EFFORTS IN THE FIGHT AGAINST COVID-19

We established the COVID-19 Coordination Task Force in order to ensure a healthy work environment at Zorlu Holding and Group companies as we navigate our course through the pandemic. Sub-teams were also formed in the companies

In this context:

- We manage the developments in industries with a flexible and agile approach employing open communication while taking any unique cases into account.
- We share and promote good practices in our companies.
- Adapting to the 'new normal', we prepared an Implementation Guide, which included our policies and approaches for a safe work environment, and shared it with our employees.
- In addition to further improving our hygiene standards and cleaning operations in the workplace, we have taken numerous measures to prevent close contact.
- We implemented work rotation and remote work models, and approximately 3,000 employees, whom we identified to be in the risk group, switched to work from home.
- We adopted advanced health and safety measures for the employees who continued to work in the field, production facilities and offices to ensure business continuity.
- We postponed many activities such as travel, mass gathering events and trainings, and encouraged the use of digital channels.
- We made various educational opportunities available to our colleagues via Zorlu Academy.
- We increased the time allocated between shifts and adopted the highest hygiene standards.
- We implemented social distancing measures in dining halls and shuttles.
- We launched the Holistic Wellbeing program, supported by a website and a mobile application. Through this program, we made sure that employees and their families received support on matters such as psychological counseling, nutrition, resilience, anxiety management, child mental health and personal development.

Akıllı Hayat

2030

Thrive

THRIVE

Through our Smart Life 2030 vision, we protect people in line with our sustainable and inclusive growth approach and also help

protect the world. We use technology in the most efficient way and deliver smart products to let people and our environment thrive.

ENVIRONMENT

OUR SUSTAINABLE AND INCLUSIVE GROWTH APPROACH INVOLVES PROTECTING THE WORLD AND ITS RESOURCES. IN LINE WITH OUR RESPONSIBLE PRODUCTION AND CONSUMPTION APPROACH, WE STRIVE TO REDUCE OUR CARBON FOOTPRINT BY DEVELOPING ALTERNATIVE MATERIALS WITH LOW ENVIRONMENTAL IMPACT. WE DISSEMINATE THE ECO-CONSCIOUS PRODUCTION APPROACH THROUGHOUT OUR SUPPLY CHAIN, USE TECHNOLOGY IN THE MOST EFFICIENT WAY AND DELIVER SMART PRODUCTS TO LET PEOPLE AND THE ENVIRONMENT THRIVE.

We believe that we can only achieve our goal towards a better future for all through a transformation that is informed by innovation and technological advancements. This vision presents us with opportunities to reduce our environmental impact. We aim to be a part of the global transformation by conserving more energy and resources, consuming less, and investing in new business models for a low-carbon economy.

Our environment management is guided by international standards. We monitor our performance through specific indicators and targets and strive to scale up best practices. In addition to our sustainability reports, we share our performance in a transparent manner as part of the Carbon Disclosure Project (CDP). Turkey's first energy company to participate in CDP, Zorlu Enerji annually reports its carbon and water footprint transparently. Vestel Elektronik responds to carbon, water and supply chain programs, and Vestel Beyaz Eşya responds to the carbon and water programs.



	ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO 50001 ENERGY MANAGEMENT SYSTEM	ISO 14064 GREENHOUSE GAS STANDARD	ISO 14046 WATER FOOTPRINT STANDARD
ZORLU ENERJİ	✓	—	✓	✓
VESTEL BEYAZ EŞYA	✓	✓	✓	✓
VESTEL ELEKTRONİK	✓	✓	✓	✓
ZORLUTEKS	✓	✓	✓	—
KORTEKS	✓	—	✓	—
META NİKEL	—	—	—	—

CLIMATE CRISIS AND ENERGY EFFICIENCY

The World Economic Forum's (WEF) 2020 Global Risks Report points out that eight of the top 10 risks are related to the environment and climate crisis.²⁵ The Green Deal announced by the European Union (EU) at the end of 2019 includes the EU's goal of becoming the first carbon-neutral continent by 2050 and the steps that will be taken towards this goal.

Climate change remains one of the key challenges of our era, so both the public sector and the private sector are taking actions to change their business models accordingly. Climate crisis drastically affects all industries Zorlu Group operates in, from energy to mining. As such, our approach to the issue is based on turning the challenges caused by the climate crisis into opportunities by establishing a sustainable business model. 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.

- **EV mobility solutions from ZES:** Zorlu Enerji's new generation technology brand ZES (Zorlu Energy Solutions) continued the rapid expansion of its EV (electric vehicle) charging station network, the first of which was installed at Zorlu Center in Istanbul. In a single year, ZES achieved a 7.5-fold increase in charging stations from 20 to 149, and the number of charging connectors from 54 to 272. The number of cities offering EV charging service climbed from 11 to 38. ZES aims to enable uninterrupted travel with low-emission EVs in Turkey. Meanwhile **electrip**, Turkey's first EV sharing platform, also continues to expand its network. Zorlu Enerji was granted the Low Carbon Hero award at the 6th Istanbul Carbon Summit for its ZES and electrip initiatives.

- **Zorlu Enerji's EU-funded geothermal energy projects:** Zorlu Enerji's geothermal energy projects comprised three of its projects receiving funding as part of the EU's Horizon 2020 program. The **GECO Project**, which is one of these projects and is carried out by a consortium of 18 organizations, aims for international accumulation and transfer of knowledge and know-how on elimination of CO₂ and other similar gases to achieve zero emissions. Zorlu Enerji, one of the 19 partner organizations from 8 countries that have been granted funding through the **GeoSmart** project, aims to store excess

power and establish compatibility in concurrently operating electricity generation and district heating systems.

- **Solar power projects:** Engaged in solar power generation as well as photovoltaic (PV) panel sales, installation and consulting services, Zorlu Enerji's Solar Power Project Unit boasts a portfolio of over 500 MW in Turkey and neighboring countries with its First Solar products.
- **Vestel Beyaz Eşya's energy efficiency projects:** As part of "Projects for the Implementation of Efficiency Increasing Projects at Industrial Enterprises" supported by the Republic of Turkey Ministry of Energy and Natural Resources, Vestel Beyaz Eşya signed a support agreement with the ministry for the projects of Efficiency in Lighting, Increasing Energy Efficiency in Compressors and Using Electric Air Guns Instead of Compressed Air Guns, and implemented these three projects. Through these projects, per-unit power consumption fell 9% in 2019.

ECO-CONSCIOUS PRODUCTS

Our efforts towards a sustainable future are not limited to the improvements we make across our own operations, as we also strive to reduce the environmental impact of our customers with the products we offer.

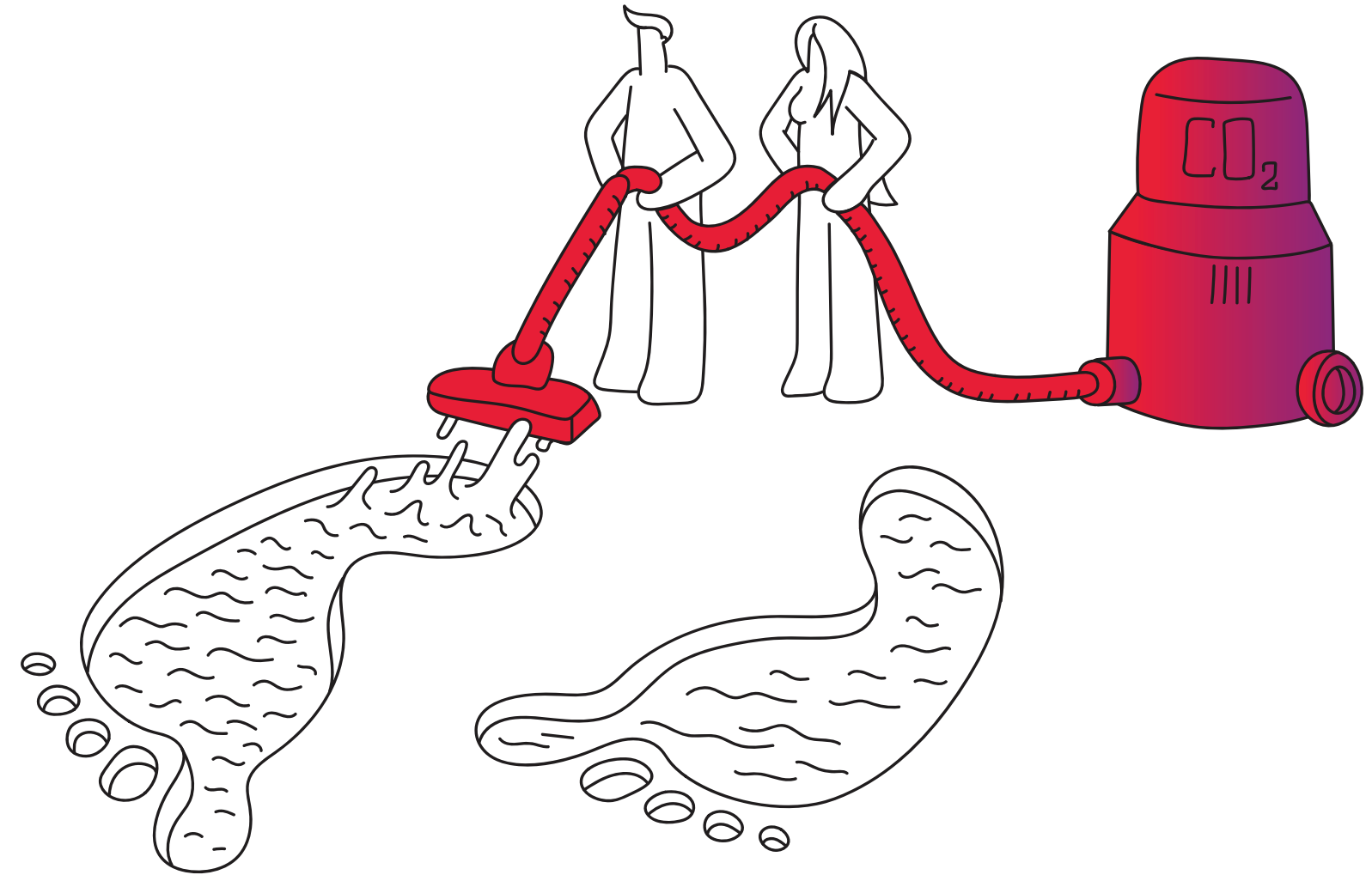
Zorlu Group companies use nanotechnologies, digital, smart and new generation technologies to deliver pioneering and efficient products to customers. We help our customers reduce their energy and natural resource consumption through energy- and water-efficient products. We account for the environmental impact of our products at every step throughout their life cycle, from design to use and recycling after the end of their service life.

Vestel products include washing machines that consume 50% less water compared to the market average and 70% less energy compared to A+++ products, Frost Free combi refrigerators that are 15% more energy-efficient compared to A+++ products, dishwashers that consume 20% less energy and ovens that consume 50% less energy compared to A-grade products. **The Waterbox and Pyrojet families** feature record-breaking products



The share of renewable energy in Zorlu Enerji's installed capacity in Turkey: **87%**

The share of renewable energy in Zorlu Enerji's total installed capacity: **64%**



WITH THE GECO PROJECT, WE AIM TO ACHIEVE 100% CLEAN ENERGY BY REDUCING OUR CARBON FOOTPRINT AND CARBON EMISSIONS.

Find the "GECO: Our Stories" video [here](#).

²⁵ Global Risks Report, WEF, 2020



in energy and water conservation. Dishwashers with the Waterbox technology consume 46% less water and 29% less energy compared to the market average; washing machines with the Pyrojet technology consume 30% less water and 75% less energy compared to the market average.

Vestel's portfolio also includes mercury-free eco-friendly **LED lighting products** that conserve up to 80% energy and reduce waste thanks to their 35,000+ hours of life.

Integrating the heating systems and electrical systems with **Smart Home kits** conserves 10% to 30% heat energy, with energy savings of up to 30%.

The Textiles Group offers customers innovative products such as **Self-Cleaning Roller Blind and Fabric Curtains, Cool Piques and LED Curtains** that help reduce their energy consumption.

NATURAL RESOURCE AND WASTE MANAGEMENT

WE CARE ABOUT THE SUSTAINABLE MANAGEMENT AND EFFECTIVE USE OF NATURAL RESOURCES.

Growing population and urbanization put significant pressure on resources. In addition, the resulting waste continues to contaminate the soil and the oceans. While plastics enter the oceans and threaten marine life, they also pose a risk to human health as they pass through the food chain.

The increasing destabilization of rainfall regimes as a result of the climate crisis causes water scarcity and threatens the majority of the world population.

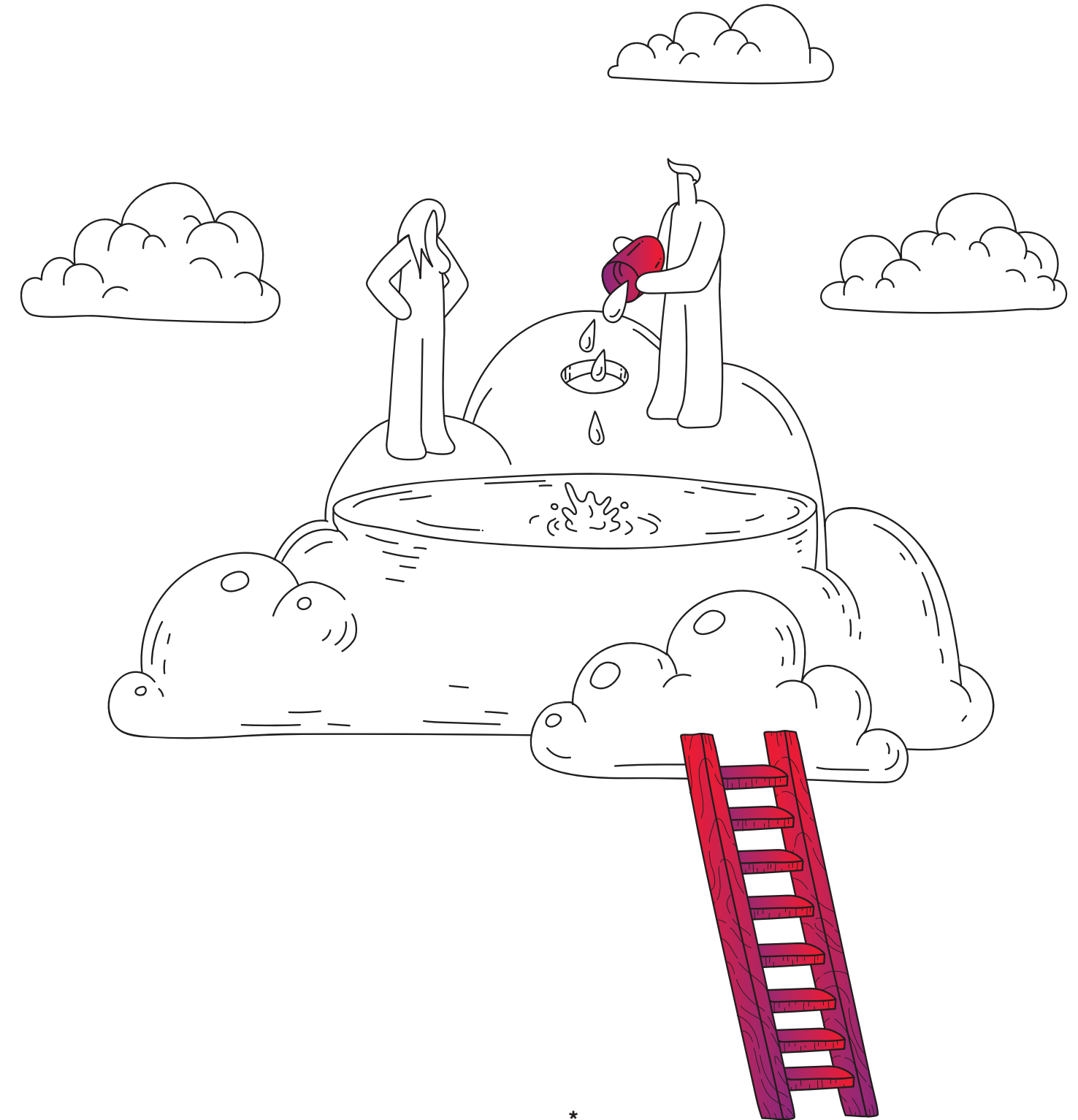
It is crucial to adopt circular systems in order to minimize natural resource consumption and waste generation. To that end, we are taking steps to reduce resource consumption and waste generation, and develop alternative raw materials.

- **Zorluteks EU RECLAIM project:** Zorluteks received a Horizon2020 grant for its RECLAIM project, which aims to extend the life cycle of machinery, equipment and materials and reduce resource consumption. The project, launched with the participation of 22 partners from various European states, aims to

control the machines used in bleaching, drying and processing with standardized processes that are automated and predictable, with the least amount of repetitive tasks.

- **Recycled innovative fabrics:** The TAÇ Inova brand, which includes innovative products designed by Zorlu Textiles Group with cutting-edge technologies, offers roller blinds and fabric curtains that clean themselves with light, comfortable products made from eucalyptus tree fibers, innovative curtains and linens, new generation roller blinds that combine technology and elegance, bed linens featuring negative ion technology for a positive sleep, and eco-friendly collections. In addition to products made from recycled cotton and Tencel yarns, the collection also features products made from recycled plastic bottles and polyester yarns.
- **Water recovery:** In addition to the previously installed reverse osmosis system, Korteks continues to reuse water and reduce water consumption by installing another ultrafiltration and reverse osmosis system in one of its facilities. The company aims to conserve 169,000 m³ of water, equivalent to the annual potable water consumption of 4,600 people. Korteks was awarded the First Prize in the Large-Scale Enterprise Sustainable Production category by the Republic of Turkey Ministry of Science and Technology for the project.
- **Treating and reusing wastewater:** Zorlu Textiles Group is working to develop an innovative brine wastewater treatment and recovery system with the **Zero Brine** project funded by TÜBİTAK and the EU Horizon2020. The project is expected to recover 80% of the wastewater generated to be reused in production.
- **Reducing water consumption:** With its water recovery and waste reduction project, Meta Nikel aims to recover water from its water storage facility and consume 1,800,000 m³ less water per year.

TEXTILE WATER EFFICIENCY



WE CARE ABOUT THE SUSTAINABLE MANAGEMENT AND EFFECTIVE USE OF WATER RESOURCES.



BIODIVERSITY

Biodiversity, which plays a key role in the survival of ecosystems and the business world, is diminishing at an accelerating rate. Today, nearly 1 million species face extinction.²⁶ The industries in which we operate, especially the energy industry, have a significant impact on biodiversity. We focus on identifying the impacts of these industries, reducing them and preserving biodiversity.

We identify the impact of our activities on biodiversity starting from the investment planning phase and take the necessary steps to protect the ecosystem and species. We conduct comprehensive studies when identifying new regions of operation to determine measures to mitigate environmental risks during the investment phase and we carry out relevant environment protection efforts from the inception.

Zorlu Enerji carries out biodiversity monitoring and conservation programs at its power plants, including mammalogy and ornithology surveys, ecosystem assessments, habitat restorations, forestation and planting activities as well as environmental impact analysis. While actively carrying out bat-watching and bird-watching activities approved by the Ministry of Forestry and Water Affairs at the WPP sites in Osmaniye, Zorlu Enerji also furthers its efforts to protect the endemic *Helictotrophium thermophilum* plant species within the Kızıldereli I GPP site in collaboration with Ege University.

Since 2010, Zorlu Enerji has been measuring its carbon footprint resulting from its operations and planting trees to offset its footprint. The number of trees planted as part of the Zero Carbon Footprint Forests Project has reached 240,000.

Zorlu Textiles Group also plants trees to balance out its carbon emissions since 2008 as part of its *Ülkem için Orman* project. The Group continues to contribute to the preservation of plant biodiversity with the project, which has already reached 150,000 trees.

R&D AND INNOVATION

The Smart Life 2030 vision is an essential guide, paving the way for us to be among the companies that shape the future, by means of adapting to the requirement for technology-and innovation-oriented change. We determine the course of our efforts regarding R&D and innovation in line with this vision, and strive to fully meet the expectations of our stakeholders, most notably our customers, in all sectors we operate in via the technologies we develop.

Products, practices and services developed through R&D and innovation investments play a key role in achieving resource efficiency. Smart technologies allow for effective management of natural resources, which gradually become scarcer. On the other hand, technological developments and the resulting rapid advances in automation put pressure on the workforce.²⁷ According to a study by the World Economic Forum, 42% of the basic job skills required to perform most tasks could change significantly by 2022.²⁸ It is essential that every segment of society and business adapt to this technological progress and change without delay. We factor in the risks and opportunities involved as we engage in R&D and innovation.

The Global Risks Report, published annually by the World Economic Forum, highlights the impact of R&D and innovation investments on the economic, social and environmental transformation in the current global landscape, where 50% of the world population is online and nearly 1 million people access the Internet every day.²⁹

At Zorlu Holding, we aim to leverage R&D and innovation in the most efficient way and to create long-lasting value for the environment and society by delivering products and services that contribute to sustainable growth via Thrive approach-an element of our Smart Life 2030 vision. Our investments not only boost the efficiency of our business processes, but also enable us to spearhead R&D and innovation in the industries in which we operate. We allocated approximately TL 403 million³⁰, which accounts for about 2% of our total revenue, for R&D and innovation in 2019. In 2022, we aim to increase this budget target by 50%.

Zorlu Textiles Group continues production at the Korteks R&D Center, a Ministry of Science, Industry and Technology-certified production center and Europe's largest integrated polyester yarn manufacturer, as well as Zorluteks R&D Center, Zorluteks Istanbul Design Center and Zorluteks Bursa Design Center. Through

numerous partnerships, we focus on increasing the efficiency and durability of products while reducing their environmental impact. We aim to reduce plastic pollution with certified yarns that are made from biodegradable biopolymers using renewable sources. In accordance with the hygiene standards that have gained prominence due to the COVID-19 pandemic, we use nanotechnologies in production to develop low-cost yarns with anti-bacterial properties, and utilize special yarn technologies to manufacture home textile products that can reflect electromagnetic waves. Moreover, we increase durability and efficiency of our products, and make the lives of our customers easier with applications such as sail cloths that offer optimum efficiency even in light winds, as well as durable truck tarpaulins. Zorlu Textiles Group applied for seven patents and patented one invention in 2019.

Having allocated approximately 2.13% of its total revenue for R&D and innovation in 2019 and employing 1,826 people at nine R&D centers, Vestel Group is among those leading the charge in this field in Turkey. Vestel Group develops innovative products and services through national and international partnerships and is one of three Turkish companies to rank among world's top 1,000 enterprises in terms of R&D spending.

The R&D efforts of Vestel Group include EV charging stations, new generation screen technologies, new generation mobile phone designs, automotive electronics, bicycle batteries, and efficiency studies on new generation household appliances. Vestel Group focuses on developing connected technologies and products that offer optimum performance thanks to smart sensors providing energy and water efficiency. Allocating half of its R&D budget to the development of environmentally friendly products, Vestel Group's household appliances product range consists entirely of products with high energy efficiency ratings of A, A+, A++ and above. Having adopted automation and the use of robots since 2018, Vestel Group uses its own software and designs in robot production.

Vestel Group filed 166 patent applications in 2019. The Group was granted 67 patents in the same year, and generated approximately TL 16 million from the 45 patents it owned. Vestel won the First Prize in the 7th Technology Development Zones and R&D Centers Awards organized by the Republic of Turkey Ministry of Industry and Technology. In addition, the Group received the Efficiency award in the Large-Scale Enterprise category for its television motherboard project – the first in the world that does not require

physical contact – developed within the framework of its innovative process-oriented design approach, industry 4.0 and smart production applications.

Meta Nikel, Turkey's first nickel-cobalt processing plant, is engaged in developing projects aimed at reducing environmental impact through its R&D investments and serves as a role model for sustainability in the Turkish industry. Boasting the first and only R&D center in the mining industry, Meta Nikel focused on the removal of carbon from the ore in the form of CO₂ via pre-leaching, iron recovery from the autoclave effluent, and precipitation and leaching of Mixed Hydroxide Precipitate (MHP) through the use of various reagents. In addition to these efforts, Meta Nikel also focuses on rare earth elements to expand its product range, reduce mining costs and produce raw materials for high-tech products and manufacturing prototype batteries.

Focusing on the key factors in combating climate change with renewable energy, e-charging applications, smart grids and storage solutions, Zorlu Energy Group also strives to accelerate the advancement of the energy industry by supporting open innovation. Zorlu Energy Group continues its research and development efforts with funding from Horizon 2020, which is the biggest European Union Research and Innovation program with EUR 80 billion of funding available for seven years, established to carry breakthroughs, creative ideas and inventions from laboratories to the market, for a more sustainable world. Besides the ongoing research efforts aiming to achieve zero emissions in the geothermal energy industry, such as GECO and GeoPro, projects like GeoSmart, FlexiGrid and PlaMES focus on energy storage, smart grids and energy diversification in networks. Having introduced electrip, Turkey's first EV sharing platform, Zorlu Enerji furthers its efforts to promote the use and the adoption of EVs with the eChange4Drivers project implemented in collaboration with 32 partners from 11 EU states.

Zorlu Real Estate increases efficiency and makes people's lives easier with innovation- and technology-driven projects and applications. As smart building technologies help reduce the environmental impact of users, Zorlu Center introduces a brand-new perspective to society with mixed-use complexes offering a living environment that combines a performing arts center, shopping mall, hotel and residences.



²⁶ Nature's Dangerous Decline: 'Unprecedented' Species Extinction Rates 'Accelerating', UN

²⁷ Future of work, McKinsey

²⁸ Strategies for the New Economy: Skills as the Currency of the Labour Market, World Economic Forum

²⁹ Global Risk Report 2020, World Economic Forum

³⁰ Zorlu Real Estate is excluded from the total

INDUSTRY 4.0 TRANSFORMATION

Industry 4.0 allows companies to meet the growing customer demand for high-quality customized products, equipping enterprises with the necessary tools to ensure operational excellence and flexibility. Companies that embrace this transformation, which includes essential components such as interconnectivity, automation, machine learning, real-time data, are expected to stand out with a competitive advantage in terms of cost, accessibility and resources. Today, Industry 4.0 transformation is associated with an increase in production efficiency. However, the social and technological innovations that this transformation will bring are projected to do more than increasing efficiency. It is accepted that advanced automation and smart factories will contribute to economic growth, increase employment with the creation of new jobs, driving a need to revise university education in line with this transformation.³¹

Vestel Group continues its industry 4.0 investments with its projects in fields such as horizontal/vertical value chain integration, artificial intelligence software, IoT (Internet of Things) technologies, lights-out factory applications, automation (robots, Cobots (cooperative robots), 3D Printing (layered/additive manufacturing), AGVs (Automated Guided Vehicle) and SDVs (Self Driving Vehicle). The goal of these investments is to accelerate Vestel's innovation and technology adaptation, enhance the interconnection of all business processes with the smart systems used in the factories, drive efficiency loss down significantly, ensure the agility and coordination of production lines and deliver prompt response to customer requests.

Clothing, textiles and fashion industries have begun to embrace Industry 4.0 with next-gen applications that involve the integration of materials science, nanotechnology, optics, sensors, microprocessors and communication technologies. In this context, global trends are grouped under three main categories: "Conductive Textile Surfaces and Military Textiles", "Circular Economy, Recycling" and "Smart Home". Zorlu Textiles Group continues its product development efforts in many areas such as online-controlled curtain and roller blind systems, flexible sensors, e-textiles and life cycle assessment (LCA). As part of these R&D activities, a Sleep Analysis Mattress Pad was developed, which gathers data on sleep patterns and sleep quality of the user by creating a personalized sleep performance report, and encourages taking precautions in case of sleep deprivation. Portable and suitable for home use, the mattress pad is a patented innovation in home textiles with its embedded sensor and integrated mobile application option.

Meanwhile, the Real Estate Group continues to contribute to sustainable cities and industry 4.0 with its innovative projects on smart building management systems.

SUPPLY CHAIN

At Zorlu Group, we are not only responsible for our own company's environmental and social impact. We also aim to raise an awareness of responsible production and consumption in all suppliers and business partners involved in delivering our products and services to our customers.

With the drastic impact of the COVID-19 pandemic on global trade and supply chains, supply chain security and the resilience of supply systems gained prominence. International trade is expected to suffer a 13% to 32% decline in 2020.³² The pandemic has led to an increase in protectionism policies around the globe as well as quotas and disruptions in production, exacerbating the effect of the pandemic on a global scale. Digital developments such as industry 4.0, IoT and blockchain take center stage when it comes to reinforcing supply chains.³³ Moreover, shifting towards local, differentiated and sustainability-driven supply solutions and establishing strong relationships with suppliers based on long-term trust are key enablers in establishing resilient supply systems.

Zorlu Holding's fields of operation, such as the textile, energy, electronics, household appliances, real estate, mining and metallurgy, are all industries with high impact and large ecosystems. The supply chain accounts for a significant part of the environmental and social impact of companies. Managing our entire supply system while considering the economic, social and environmental aspects plays a pivotal role as it directly affects the Holding's performance and customer satisfaction. Therefore, we prioritize supply chain management and supporting responsible production and consumption within our responsibilities towards achieving our Smart Life 2030 vision.

Disruptions in global supply chains caused by the COVID-19 outbreak put local sourcing under the spotlight.³⁴ We cooperate with approximately 12,000 suppliers and business partners in total. At Zorlu Holding, we prioritize working with local suppliers in our supply chain in order to contribute to local economic development. Zorlu Holding had a supplier mix composed of 72% local suppliers as of 2019.

Governments are expected to relax environmental and social regulations to support production, and hence remedy the economic downturn caused by the COVID-19 outbreak.³⁵ Companies' audits and evaluations of their suppliers within a sustainable framework are of great importance in terms of identifying and reducing potential environmental and social risks. At Zorlu Holding, we monitor the level of compliance with Zorlu Holding Supplier Principles, which the companies in our supply chain take into consideration, and strive to raise awareness on this issue throughout our value chain. The Principles, which serve as a guide for all Group companies, are comprised of the following main subjects: prevention of child labor and forced labor, prevention of discrimination, humane treatment, remuneration, working hours, occupational health and safety, environment, and ethics. The suppliers in our ecosystem are obliged to carry out all operations in compliance with national and international legislation and regulations. In this regard, we conduct audits on social and environmental issues to maintain long-term and sustainable cooperation within the supply chain. In 2019, we audited 727 suppliers based on environmental criteria and 185 suppliers based on social criteria.



CUSTOMER RELATIONS

Our customers are the key stakeholders for maintaining sustainable growth. We present our solutions for customers in an easily accessible manner that serves sustainability.

Evolving consumer habits and digitalization are among the key global trends in customer relations. Communication channels are increasing in number, and becoming more diversified with digitalization and new mobile solutions. In the meantime, wide-scale adoption of artificial intelligence and automation is transforming companies' customer relations. Companies adapting to new trends see an increase in customer loyalty which translates into revenue growth. Companies that take strategic steps based on customer experience have a 4-8% higher turnover compared to the market average.³⁶

At Zorlu Holding, our viewpoint is to provide top-quality services in all the industries where we operate, and we believe in continuous improvement in managing customer experience and relations. We regularly conduct customer satisfaction surveys to determine how our customers see us, to identify the areas of improvement within our processes and to set targets accordingly. In addition to satisfaction 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 further our efforts to respond to every feedback and complaint we receive, and we expand the scope of our customer engagement approach to involve customers in the design stage of our product development process. At Zorlu Group, we create value for nearly 17 million customers as of 2019. Approximately 350,000 of our customers access our products and services through online channels.³⁷

Organized by Zorlu PSM in Istanbul as part of the Barcelona-based Sónar, a pioneer of experience-oriented festivals in the world, Sónar Istanbul won the Gold Medal in the event category at the 2019 Stevie-International Business Awards for creating a unique guest experience and offering a brand new world to its guests. In addition, the PSM card, which was launched in November 2019, plays a major role in improving the customer experience, collecting various data such as customer consumption habits from the points where the card is used and translating that data into marketing campaigns.

³¹ [Industry 4.0, Deloitte](#)

³² [The COVID-19 economy: does it mean the end of globalization?, World Economic Forum](#)

³³ [Supply chains have been upended. Here's how to make them more resilient, World Economic Forum](#)

³⁴ [The ongoing impact of COVID-19 on global supply chains, World Economic Forum](#)

³⁵ [China to modify environmental supervision of firms to boost post-coronavirus recovery, Reuters](#)

³⁶ [The value of customer experience, Forbes](#)

³⁷ [Korteks and Zorlu Enerji do not provide services through online sales channels](#)

We connect young people with art: Zorlu PSM's My No-Show Seat project allows customers to reserve no-show seats for students in return for a donation of TL 1 to the Community Volunteers Foundation (TOGEV). The project aims to provide inclusion and social benefit by allowing more access to events. 5,000 students have benefited from the project so far. The project, which was the result of a workshop where we heard from the young people, is an example of projects that we have developed through stakeholder engagement.

We are wherever our customers need us to be: At Vestel, we believe that our customers' feelings, thoughts and experiences of the past will be key drivers of our future communication activities. To serve this end, we strive to impress our customers with the experiences we offer at the Vestel Call Center. With our "heryerdeyiz" project, we selected the calls that impressed our customers the most across 81 provinces, and rewarded the customer representatives who successfully delivered these communication experiences. The project aims to increase brand reputation as well as customer loyalty. Moreover, it will have a positive effect on employee engagement and motivation. Having embarked on its customer experience journey with the motto "Her Şey Bi Teşekkür İçin" (Doing Our Best for a Thank You), Vestel Customer Services won the "Best Customer Experience" award in the TV, Household Appliances and Mobile Phone categories for the sixth consecutive year in the 2019 A.C.E. Awards organized by şikayetvar.com.

We receive stakeholder feedback via Fikirler Fora: At Vestel Customer Services, we developed a platform titled Fikirler Fora (Unfurl the Ideas), through which we receive feedback from authorized services and employees in direct contact with customers to help improve our processes. The platform, which enables us to launch projects that will improve customer experience, was awarded the First Prize in the Employee Participation category at the 2019 Sustainable Business Awards.

We improve customer experience through partnerships: We transform customer relationship management with the partnership between Zorlu Enerji and Microsoft Dynamics. The transformation, which was initiated with the goal of using a single platform to collect customer complaints and feedback, measuring the entire experience with surveys, managing the company's channels with an omni-channel structure and managing marketing campaigns more accurately, will optimize customer relationships and experience. In addition, Zorlu Enerji received the "Excellent Customer Satisfaction" Diamond award for achieving the highest customer satisfaction rate among 18 companies in the Energy category at the 2019 A.C.E. Awards.

There is a Solution for Everything Here: The communication channels, which evolve and improve with digitalization and increased internet access, transform Vestel's relationship with its customers as well. On the www.cozumuvur.vestel.com.tr website, which we introduced in 2019, we provide our customers with the opportunity

to solve their problems regarding their products on their own with the video solutions we offer. Customers are also able to file their own service requests without having to contact the call center. We offer our customers a digital experience by constantly making new additions to the website's functions, such as quick access to user manuals, troubleshooting, installation and creating a maintenance request. We continue to further improve and update our content based on assessments.

Akıllı Hayat

2030



Collaborate

COMMUNITY RELATIONS

WE COLLABORATE WITH OUR STAKEHOLDERS FOR SOCIAL TRANSFORMATION.

Mehmet Zorlu Foundation, established in 1999, supports the advancement of society in the fields of education, culture and arts, sports and health. imece, a social innovation platform of which we are a founding partner, aims to develop innovative and sustainable solutions to social issues. Thus, we contribute to creating and reinforcing a social innovation ecosystem in Turkey. We help young people prepare for the future with the YetGen 21st Century Skills Awareness Program, of which we are a partner. We support the Education

Reform Initiative, which follows the developments in the field of education and collaborates with stakeholders to increase the quality of education. Last but not least, we contribute to a collaboration platform for our teachers, who are the main stakeholders of education, to solve their problems and develop their competencies through the Teachers' Network project. By 2022, we aim to increase the budget we allocate to community relations and investments to 1.5% of our profit.

MEHMET ZORLU FOUNDATION (MZF)

We have provided scholarship to a total of 22,595 students so far through the Mehmet Zorlu Foundation. We reached more than 895,000 children with our Children's Theater.

Zorlu Holding carries out its social responsibility projects through the Mehmet Zorlu Foundation (MZF). Since 1999, we have been working to create social value through activities in education, sports and culture.

By the end of the 2019-2020 school year, we have provided scholarships to a total of 22,595 students. 41% of our scholarship students are primary and high school students, and 59% are university students. These scholarships continue to be provided until students graduate. In terms of health, we provide medicine, medical products and equipment aid to persons in need of assistance. We also support organizations such as the Turkish Red Crescent, the Foundation for Children with Leukemia (LÖSEV), the Hope Foundation for Children with Cancer (KAÇUV), and Turkish Kidney Foundation (TBV). In culture and arts, we have reached a total of 895,700 children in 17 years at 1,328 performances of 15 plays by the Zorlu Children's Theater established by MZF in 2003.

YetGen 21st CENTURY SKILLS AWARENESS PROGRAM

We prepare the youth for a smart future.

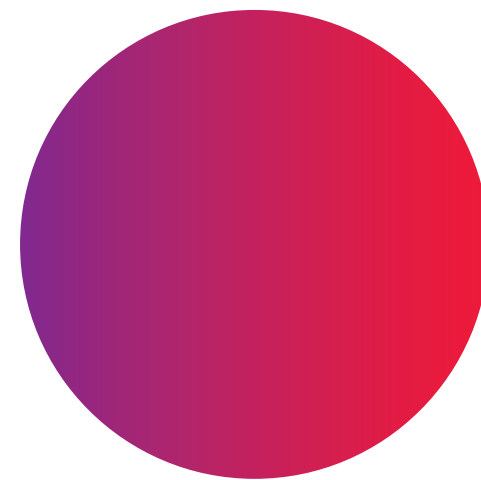
As a partner of the YetGen 21st Century Skills Awareness Program, founded by MEF University Vice President Prof. Erhan Erkut, we support young people not only with academic, technical and professional knowledge, but also with 21st century skills and competencies. Within the scope of the 21st Century Skills Awareness Program, we provide university and high school students Presentation Techniques, Excel, Career Planning, Preparing Resumes, 21st Century Citizenship (Digital Literacy, Financial Literacy, Information Literacy), Coding and Entrepreneurship, Social Innovation and Sustainability courses. Many young people from different parts of Turkey are able to attend these courses thanks to live broadcasts. So far, a total of 1,000 high school and university students have graduated from our programs.

A first in Turkey, the program features in-class education, dissertations, summer internships and post-internship working experiences. Organized at the end of the program, the MZF Youth Summit brings students together with prominent experts from various fields in Turkey. We give them the opportunity to listen to stories that may inspire their career plans, meet and communicate with these experts. Upon completion of the program, we also collaborate with the Koç University Social Impact Forum (KUSIF) to conduct a social impact assessment to analyze the change brought upon by the program and its impact on the students' lives. In light of



It is paramount that stakeholders act together for a common goal to quickly and effectively solve the problems facing the world.³⁸ The Stakeholder Capitalism manifesto announced at the 50th annual meeting of the World Economic Forum in 2019 underlines the importance of safeguarding the interest of all stakeholders in problem-solving processes.³⁹ The economic and social problems caused by the global pandemic proved the necessity of creating strong communities. In a world where inequalities continue to increase, those hit hardest by the pandemic are the most fragile and vulnerable segments of the society.⁴⁰ We believe that a sustainable and equal world is possible through creating value for and with all stakeholders. With our Smart Life 2030 vision, we cooperate with all our stakeholders in solving these problems.

Going beyond the approach where only managers and employees play an active role, we develop projects that support open innovation processes focusing on smart solutions and creative industries, and that enable us to engage external stakeholders in the problem-solving process. As part of these projects, we see stakeholders from various disciplines as part of the solution. In line with our Smart Life 2030 vision, our social-benefit and responsibility areas are social innovation, entrepreneurship, high-quality education, reduced inequalities, gender equality, creative industries, culture and arts, sustainable cities and communities.



³⁸ Partnerships: Why They Matter, 2015, UN

³⁹ Davos Manifesto, 2020, WEF

⁴⁰ UN working to ensure vulnerable groups not left behind in COVID-19 response, UN



this assessment and students' feedback, we review the program design and develop activities that will further enhance the impact created. As a result of various interviews, surveys and focus groups conducted with the students who graduated from the program in 2018, we saw that students' level of knowledge and skills, which they would later need in their careers and job search, improved and that they felt more prepared for the business world.

MZF YOUTH SUMMIT

The 2019 Mehmet Zorlu Foundation Youth Summit was organized with a zero-waste goal. We set an example by identifying the potential waste in advance and implementing prevention, reuse and recycling strategies to minimize waste resulting from the event. Following the event, we prepared the Zero-Waste Event Environmental Assessment Report. We used recyclable paper wristbands instead of plastic name tags. Instead of printing posters, we shared the event program via the mobile application. We did not throw away the previous year's stage decorations and remodeled them for re-use. By regularly collecting waste and recycling of 666 kg of paper with 65% efficiency, we obtained 432 kg of recycled paper. In doing so, we were able to save 6.2 trees, which is equal to the prevention of 0.93 tonnes of CO₂ emissions. We saved 5,638 liters of water, equivalent to a person's water consumption for 30 days. By utilizing 130 kg of non-recyclable materials, we ensured that 529.16 kWh of energy was generated from waste. We achieved carbon neutrality at the Summit, eliminating an estimated carbon footprint of 1,883 tonnes.

EDUCATION REFORM INITIATIVE (ERG)

100% support to Education for a better future.

Since 2011, the Mehmet Zorlu Foundation has been a supporter of Education Reform Initiative (ERG) established in collaboration with Sabancı University. ERG is an independent and not-for-profit think-tank that contributes to systemic transformation in education for development of children and society through sound evidence, constructive dialogue and critical thinking. The publicly-accessible Annual Education Monitoring Report offers a transparent and clear account of the changes that have taken place in Turkey in the field of education and gives policy recommendations. The Good Practices in Education Conference, organized by ERG every year, aims to ensure that good examples have a greater impact on education by enabling teachers to share their own practices from the academic year with their colleagues.

Find the 2019 Education Monitoring Reports [here](#).

TEACHERS' NETWORK

Change starts with the teacher.

We support the "Teachers' Network" project, coordinated by Education Reform Initiative. The project brought Turkey's leading organizations together for the first time, namely Mehmet Zorlu Foundation, Mother Child Education Foundation, Aydın Doğan Foundation, Enka Foundation, Sabancı Foundation and Vehbi Koç Foundation, aiming to support teachers' development.

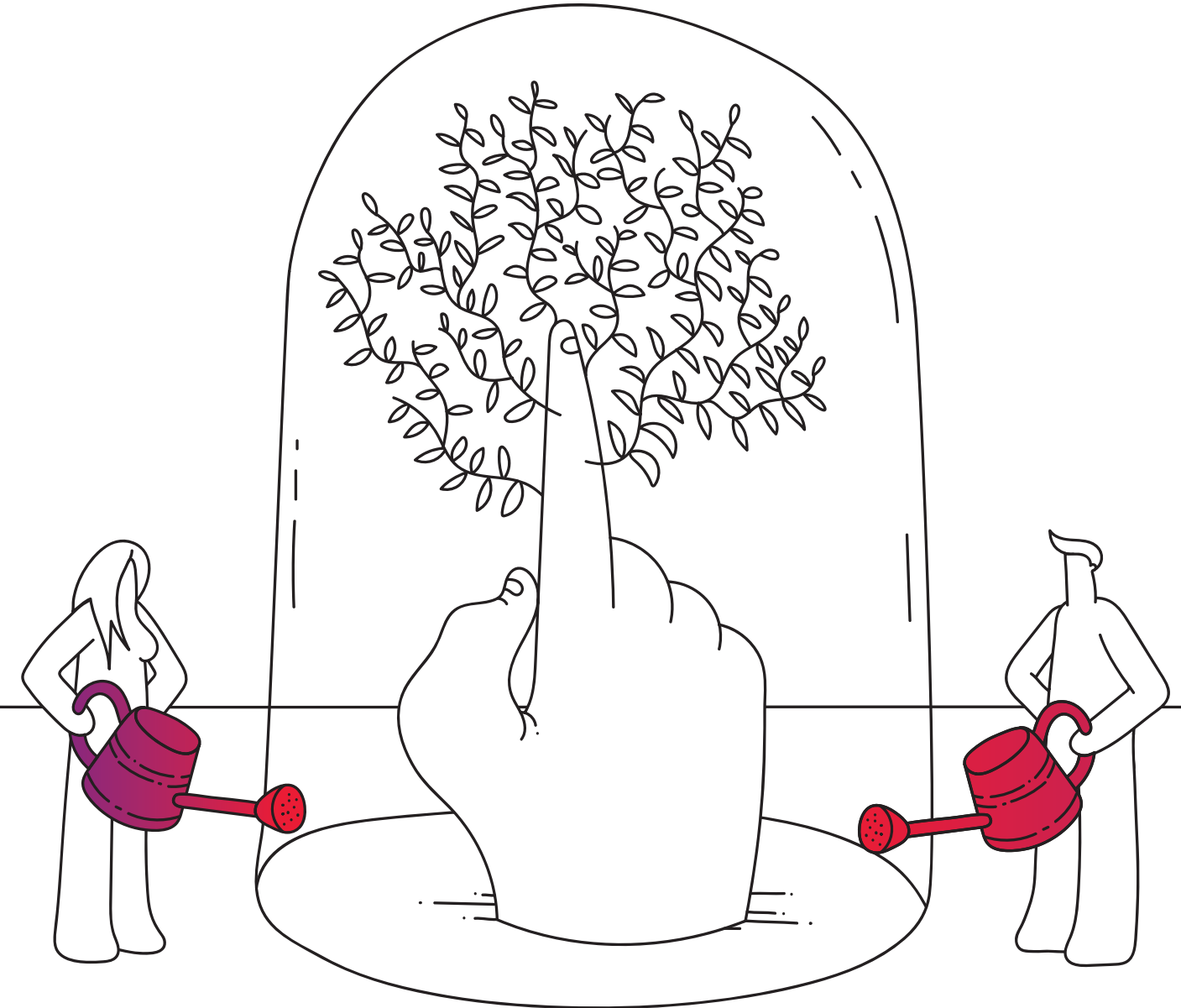
The Teachers' Network creates a collaboration platform for stakeholders in education, including foundations, civil society organizations, individuals and institutions from various disciplines to support teachers in their personal and professional development journeys. The platform creates solutions for teachers' needs 'not on behalf of teachers, but together with teachers.' By bringing together the necessary resources in education, it creates a community that enables sustainable empowerment. So far, the Teachers' Network has reached over 20,000 individuals in 31 provinces through 714 events and meetings, and more than 50,000 students through collaborations with 264 education stakeholders, individuals, institutions, universities and local governments. MZF aims to continue supporting teachers' empowerment through the Teachers' Network.

imece

We support the social innovation and entrepreneurship ecosystem.

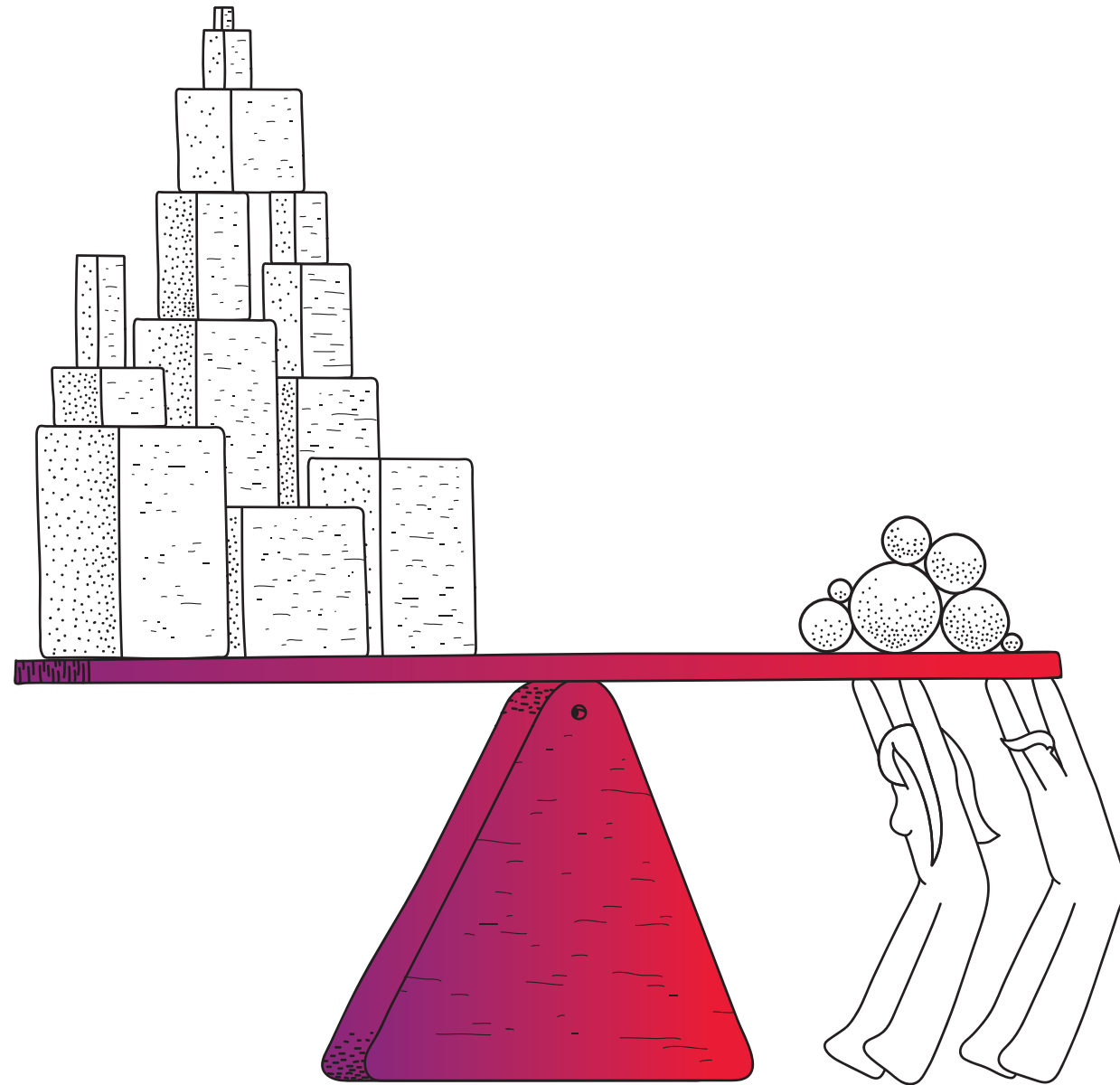
As a founding partner of the social innovation platform imece, Zorlu Holding brings together individuals and organizations that gather around social issues, as well as social entrepreneurs willing to create solutions for social challenges. imece introduces these individuals to grants, workshops, mentorship, and networking resources to help them develop innovative and sustainable solutions. In doing so, it contributes to the development of a social innovation ecosystem in Turkey.

During each seven-month Accelerator, we focus on a certain theme based on Sustainable Development Goals, and social issues around this theme. This year, our Accelerator III, which addressed Reducing Inequalities, focused on various inequalities across different segments of society and inclusion. After a preliminary research, we identified the following issues of focus: social and economic empowerment of



*
SINCE 1999, THE MEHMET ZORLU FOUNDATION HAS STRIVEN TO RAISE GENERATIONS OF IMAGINATIVE, SELF-CONFIDENT INDIVIDUALS WHO BELIEVE IN THEMSELVES.

SOCIAL INNOVATION



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WE ADOPT SOCIAL INNOVATION WITH A VIEW TO ADDRESSING SOCIAL PROBLEMS
WITH INNOVATIVE AND SUSTAINABLE SOLUTIONS.

disadvantaged groups, and disabled individuals and refugees access' to fundamental rights and needs. In addition to public announcements via various channels, we also called on Zorlu Group employees to participate in the project, in order to encourage intrapreneurship. We received a total of 160 applications from 19 provinces across Turkey, submitted by individuals and teams in collaboration with start-ups and associations. Of the projects submitted, 37 focused on the disabled, 25 on refugees and 98 on disadvantaged groups by offering them solutions for accessing their fundamental rights and needs such as education, employment, social integration and health. Of the applicants, seven were included in the early-incubation phase. The three teams BlindLook, eording and Root were among the seven projects selected by the jury at the end of the early-incubation phase. These teams received mentorship and support in terms of operation, training, access to ecosystem, corporate partnerships and grants during the incubation phase.

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. During the 'Smart and Sustainable Urban Mobility'-themed challenge process of imeceLAB, we discussed the rapid growth of urban population, increased demand for transportation services, rise of automobile ownership worldwide, and industrial transformations. Through the 10-week curriculum and various trainings, young people showcased their creativity to come up with innovative solutions that addressed low-carbon urban mobility, innovations in mobility and inclusive mobility.

In addition to these two main programs, we organized various events that brought together the stakeholders of the social innovation ecosystem in 2019. Within this framework, we collaborated with ATÖLYE and imece to organize the Global Goals Jam event with the support of Zorlu Holding. At the event, we tackled the question "How can we find solutions to global issues with an interdisciplinary group of people?" At the "TechCamp Istanbul 2019" event organized in July 2019 in partnership with the US Consulate General in Istanbul and Impact Hub Istanbul, we focused on the problems facing media professionals in content creation areas that are defined as digital newsrooms today. In December, the "Fintech for Good: Financial Inclusion & Fostering the Ecosystems" report was published in cooperation with imece and the British Embassy in Ankara, as part of the "Fintech for Social Inclusion-Financial Technology for Social Inclusion", which is the UK Welfare Fund's financial services project.



NO BARRIERS AT ZORLU!

At Zorlu Center, we offer an accessible common area for everyone.

In line with the concept of inclusion, which is a prerequisite for creating sustainable towns and cities, we make sure that our real estate facilities are accessible by everyone. To serve this end, we taught all staff members at Zorlu Center food courts sign language, and prepared restaurant menus in Braille with the support of Association of Blinds of Turkey (TURGED). Thanks to the Yol Arkadaşım AVM feature on the Hayal Ortaçım application brought to life by Turkcell and Young Guru Academy (YGA) at Zorlu Center, we help people with visual disabilities to participate in social life more actively and independently. With this application, users can obtain information about the locations they pass by in Zorlu Center and access the instructions. Additionally, we collaborated with the Guide Dogs Association, for which we provided a working space and communications support.

We made Amfi Pub, Cheers and jazz club touché accessible to the visually impaired through Blindlook, offering visually impaired music enthusiasts a comfortable experience not only at our concerts, but also while dining at Zorlu PSM.

The ICSC awarded Zorlu Center the Albert Sussman International Social Support Award, its most prestigious award, for its “No Barriers at Zorlu” project.

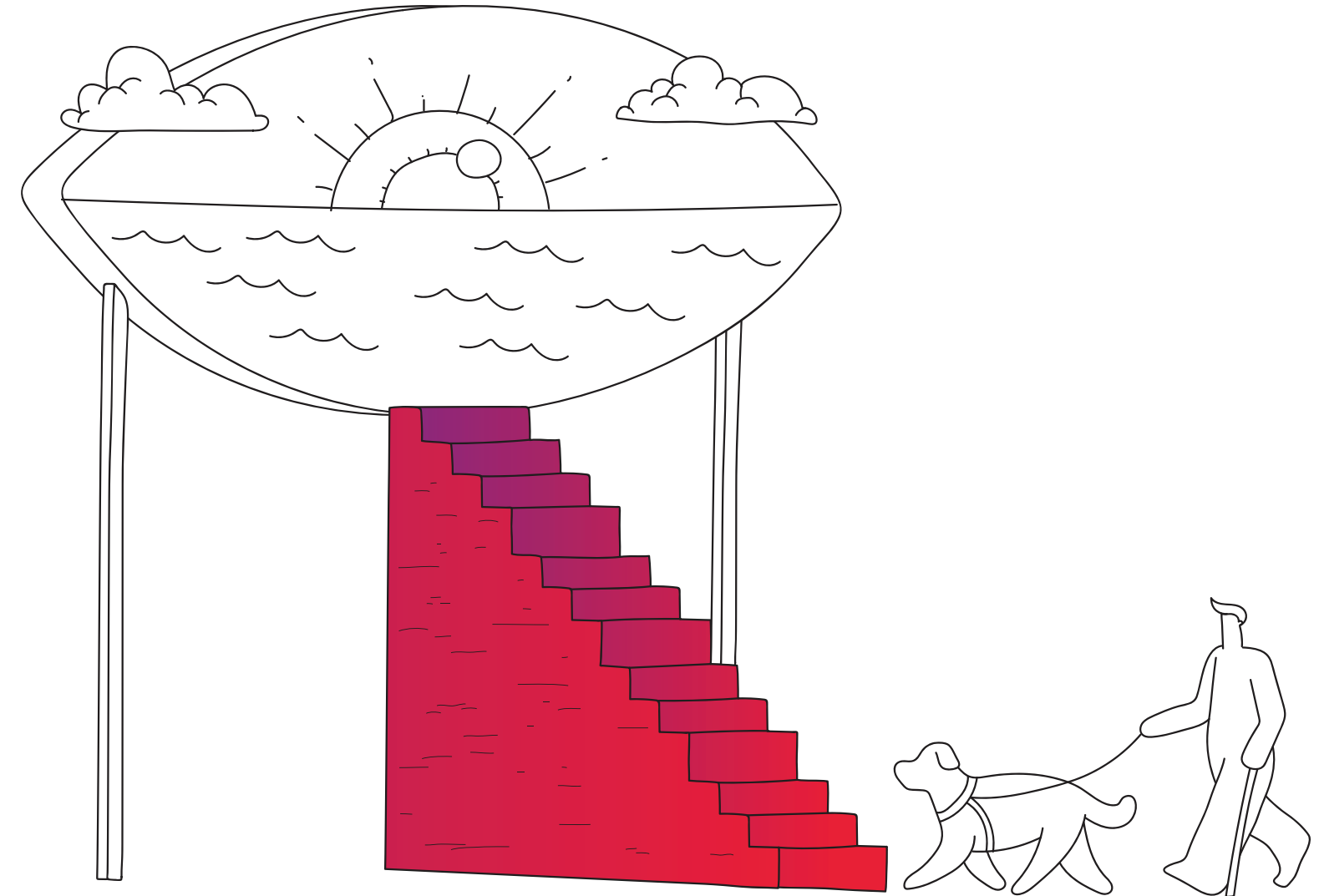
GENDER EQUALITY

An Equal Life (Eşit Bi'Hayat) is possible for all!

We value the full and effective participation of women in decision-making processes in economic and public life, and promote gender equality across all our Holding companies. We signed the United Nations Women's Empowerment Principles (WEPs) in 2015 with a commitment to contributing to inclusive growth and ensuring gender equality at the workplace. Treasuring dynamism, innovation and creativity in all our business processes, we published our Eşit Bi'Hayat Manifesto, which covers our commitments to creating an inclusive and diverse corporate culture and taking another step towards achieving equality throughout society, especially in the business world.

Find the Manifesto [here](#).

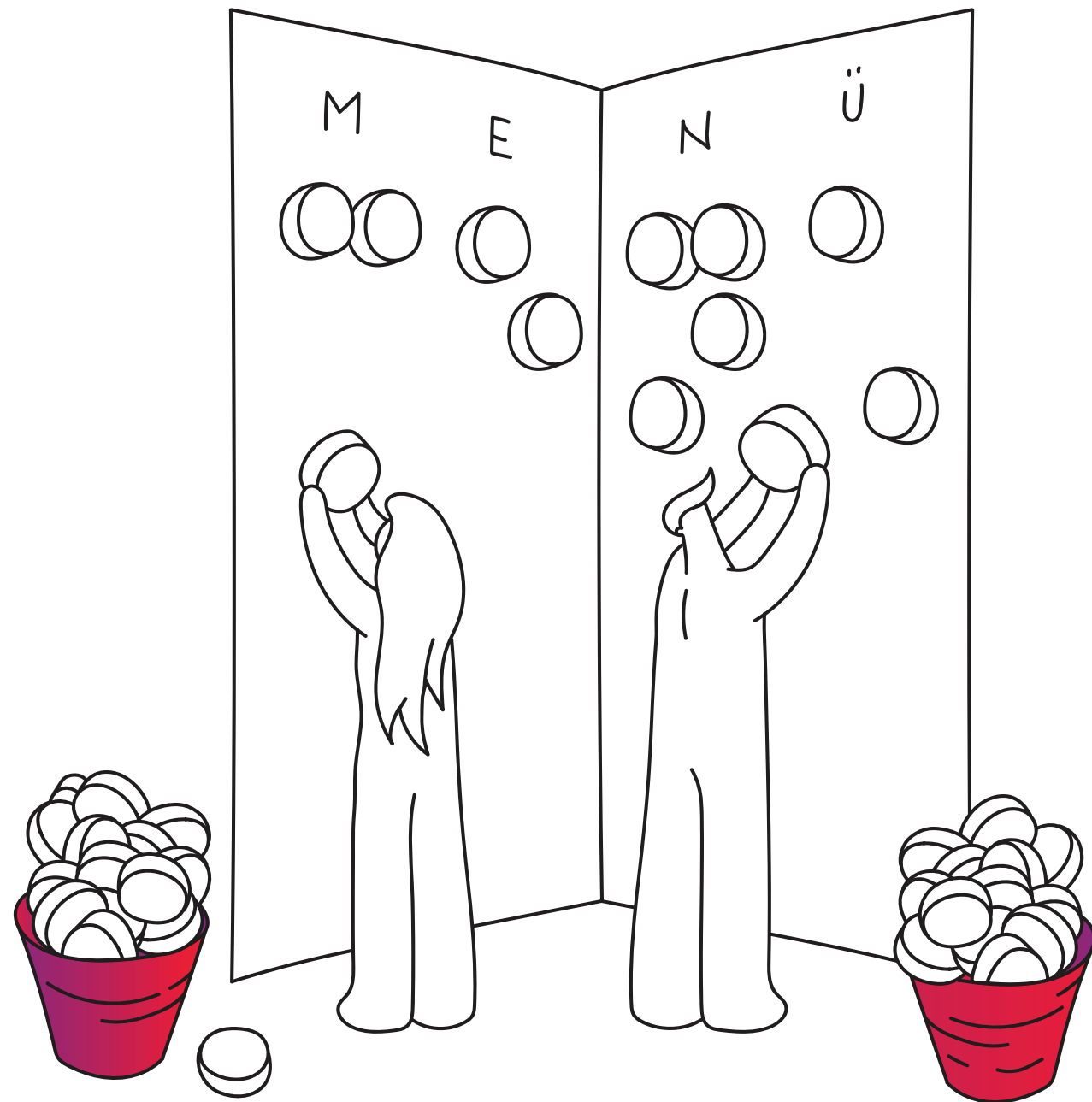
You can learn more about our approach and the projects we have carried out in 2019 to support gender equality in the [Employees section](#).



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AT ZORLU CENTER, WE OFFER ACCESSIBILITY FOR EVERYONE.

BLINDLOOK



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IN LINE WITH THE CONCEPT OF INCLUSION, WHICH IS A PREREQUISITE FOR CREATING SUSTAINABLE TOWNS AND CITIES, WE MAKE SURE THAT OUR LIVING SPACES ARE ACCESSIBLE BY EVERYONE.

ZORLU PERFORMING ARTS CENTER

With Zorlu PSM, we bring culture and arts to all segments of society.

Culture and arts, which are among the key drivers of sustainable development, contribute to the advancement of social values and individuals. Hosting activities and events addressing all walks of life as per art's universality, Zorlu Performing Arts Center (PSM) has established itself as a platform that leads Turkey's culture and arts scene. Zorlu PSM, which turned 6 in 2019 and has hosted more than 2.5 million art enthusiasts to date, serves as a unique intercultural bridge between the East and the West.

Organized by Zorlu PSM in Istanbul as part of the Barcelona-based Sónar, a pioneer of experience-oriented festivals in the world, Sónar Istanbul won the Gold Medal in the event category at the 2019 Stevie-International Business Awards for creating a unique guest experience and offering a brand new world to its guests with its excellence in production and event organization.

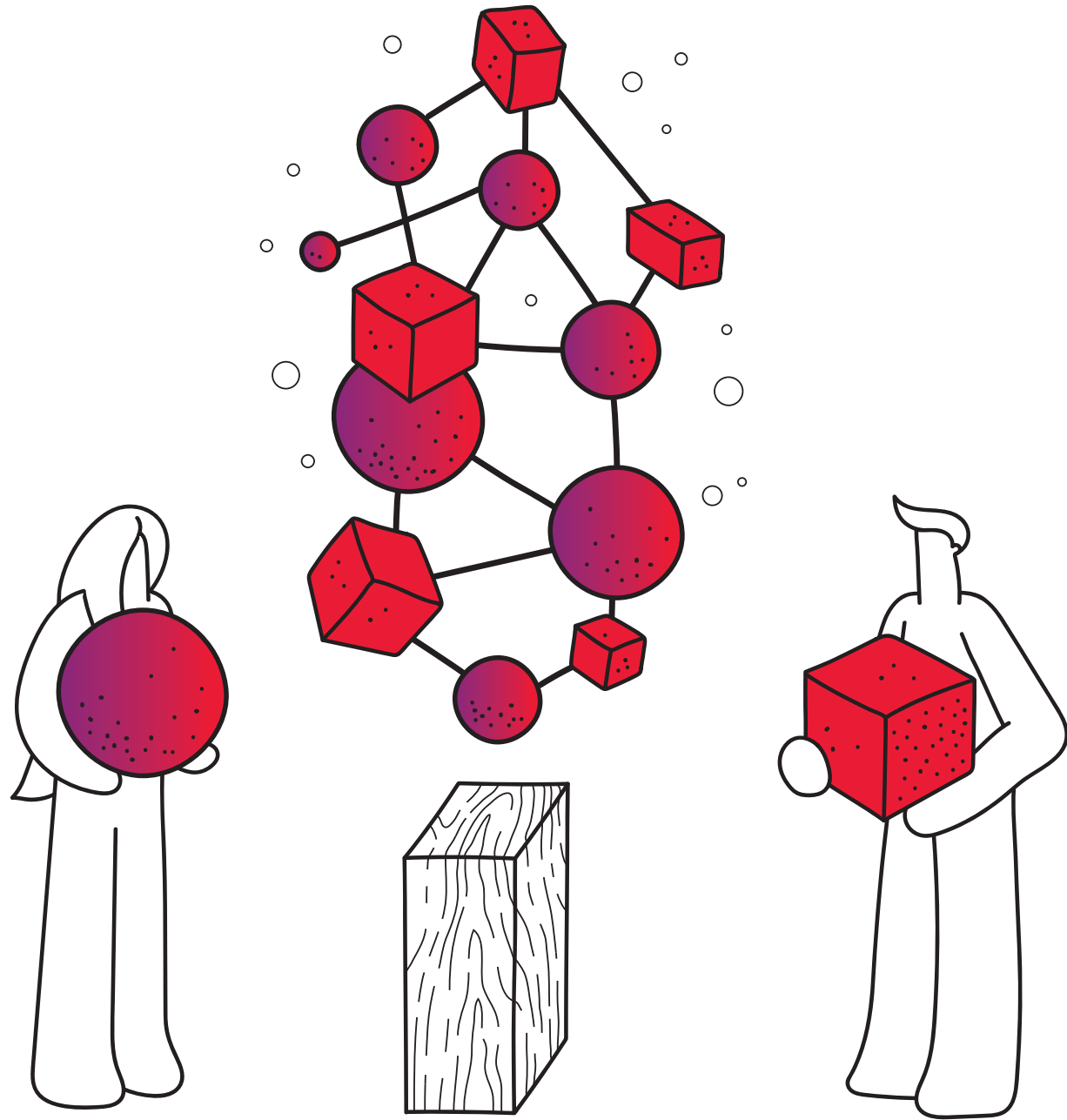


OUR EFFORTS IN THE FIGHT AGAINST COVID-19

STAY HOME WITH ZORLU #PSM

While the entertainment and art world was greatly affected by anti-COVID-19 measures such as partial lockdowns and stay-at-home orders, we moved our canceled events to digital platforms to a large extent and continued to offer people the opportunity to access culture & arts with #PSMyle-Kal (Stay at Home with PSM). During this period, we shared with our followers on our social media accounts our suggestions on what to read, listen and watch at home as part of our "tips for spending time at home". We also broadcast live concerts, podcast series, virtual workshops featuring local and foreign artists, and plays by the children's theater on our Zorlu PSM YouTube channel and social media accounts.

DIGILOGUE



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WITH OUR TECHNOLOGY AND CREATIVITY PLATFORM DIGILOGUE,
WHICH FOCUSES ON THE RELATIONSHIP OF DIGITAL WITH DIFFERENT DISCIPLINES,
WE AIM TO IMPROVE THE WAYS IN WHICH CREATIVE INDUSTRIES INTERACT WITH TECHNOLOGY.

DIGILOGUE

Technology and creativity platform Digilogue aims to arouse curiosity and ask questions, by focusing on the relationship of digital with different disciplines. 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. At Digilogue panels and summits, we 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.

Our activities in 2019
were as follows:

- As the main supporter of Sonar Istanbul, the international creativity and technology festival, we supported the capacity increase efforts targeting audio & visual performances, speeches and workshops at +D.
- In collaboration with Salt Research, we launched a series of talks titled "New Approaches to Data". We initiated a resource program to re-analyze Reşat Ekrem Koçu's Istanbul Encyclopedia data set.
- Collaborating with Akbank Sanat, we met with students from five universities in four cities with a traveling exhibition that included digital art works, as well as workshops and seminars that explored technological art and production methods.
[Find our "Digital Art on Campus" video here.](#)
- Zorlu PSM hosted DÖKK, the live media opera produced by the Italian Science and Art Studio Fuse, for two nights.
[Find our "Performance: Dökk by * fuse" video here.](#)
- Digilogue supported the BASE exhibition, which featured the works of fresh art graduates from across Turkey as a digital partner, and hosted Atıf Akin's exhibition and workshop.

ANNEXES

MEMBERSHIPS AND COLLABORATIONS

- Ashoka
- Babadağlı Industrialists and Businessmen Association (BASİAD)
- Bursa Disaster Association (BURAD)
- Bursa Research Foundation
- Bursa Industrialists and Businessmen Association (BUSİAD)
- Education and Culture Foundation of People of Denizli (DENBİR)
- Digitaleurope
- Foreign Economic Relations Board of Turkey (DEİK)
- Aegean Industry and Business Association (BUSİAD)
- Electronic Device Manufacturers Association (ECID)
- Endeavor
- European Man-Made Fiber Association
- Entrepreneur Institutions Platform
- Entrepreneurship Foundation
- Hasbahçe Social Assistance and Solidarity Association
- Corporate Communication Professionals Association
- Corporate Governance Association of Turkey
- imece
- Istanbul Chamber of Certified Public Accountants (ISMMMO)
- Istanbul Technical University Çekirdek
- Business Council for Sustainable Development Turkey (BCSD Turkey)
- Geothermal Power Plant Investors Association
- Women Entrepreneurs Association of Turkey (KAGİDER)
- Turkish Society for Quality (KALDER)
- Association of Private Sector Volunteers (ÖSGD)
- Guide Dogs Association
- Social Innovation Exchange
- Association of Artificial Synthetic Fiber Manufacturers (SUSEB)
- Accumulator Importers and Producers Association (TümAküder)
- Institute of Internal Auditing - Turkey (TIDE)
- Turkish Industry and Business Association (TUSIAD)
- Turkish Public Relations Association
- Foreign Trade Association of Turkey (TURKTRADE)
- Ethics and Reputation Society (TEİD)
- Association of Turkish Home Textile Industrialists and Businessmen (TETSIAD)
- Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- Association of Turkish Travel Agencies
- Spastic Children's Foundation of Turkey
- Technology Development Foundation of Turkey
- UN Global Compact Turkey (UNGC)
- Uludağ University Support Foundation
- International Patent Association (UPB)
- International Competition and Technology Association (URTEB)
- Young Guru Academy
- 30% Club

PERFORMANCE INDICATORS

EMPLOYEE DEMOGRAPHICS

	2017		2018		2019	
EMPLOYEES BY GENDER	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
NUMBER OF EMPLOYEES	7,093	14,779	7,473	15,716	7,462	17,064
EMPLOYEES BY CATEGORY	BLUE-COLLAR	WHITE-COLLAR	BLUE-COLLAR	WHITE-COLLAR	BLUE-COLLAR	WHITE-COLLAR
NUMBER OF EMPLOYEES	14,254	7,618	14,968	8,221	17,615	6,710
TOTAL	21,872		23,189		24,526	

ENVIRONMENTAL PERFORMANCE INDICATORS

GREENHOUSE GAS EMISSIONS (thousand tonnes of CO ₂)	2017	2018	2019
SCOPE 1	1,224	1,944	1,761
SCOPE 2	262	268	372
TOTAL	1,487	2,212	2,133

WATER CONSUMPTION (m³)

	2017	2018	2019
MUNICIPAL WATER	1,014,837	1,022,313	1,059,413
SURFACE WATER	2,693,854	1,275,766	826,511
GROUNDWATER	3,497,766	3,376,284	2,940,651
RAINWATER	9,000	9,000	10,000
OTHER*	35,416,117	73,025,507	282,312,425

*Consolidated water consumption data includes the amount of water obtained from the treatment plant in Korteks and the amount of water used in electricity production at Zorlu Energy.

TOTAL AMOUNT OF WASTE (TONS)

	2017	2018	2019
TOTAL HAZARDOUS WASTE	4,138	4,360	4,142
TOTAL NON-HAZARDOUS WASTE	36,553	75,548	80,959

UNGC REFERENCE TABLE

AREA	PRINCIPLES	RELATED SECTION IN THE REPORT
HUMAN RIGHTS	1 Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> Diversity Gender Equality Corporate Governance Supply Chain
	2 Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> Diversity Gender Equality
LABOR	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> Employee Satisfaction
	4 Businesses should uphold the elimination of all forms of forced and compulsory labor.	<ul style="list-style-type: none"> Occupational Health and Safety Corporate Governance Supply Chain
	5 Businesses should uphold the effective abolition of child labor.	<ul style="list-style-type: none"> Corporate Governance Supply Chain Occupational Health and Safety
	6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> Diversity
ENVIRONMENT	7 Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> Climate Crisis and Energy Efficiency Eco-conscious Products Natural Resource and Waste Management
	8 Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> Eco-conscious Products
	9 Businesses should Encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> R&D and Innovation
ANTI-CORRUPTION	10 Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Corporate Governance

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL INDICATORS 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	http://www.zorlu.com.tr/assets/files/faaliyet-raporlari/faaliyet-raporu-2019.pdf , P.8	
	102-6	http://www.zorlu.com.tr/assets/files/faaliyet-raporlari/faaliyet-raporu-2019.pdf , P.26	
	102-7	23, http://www.zorlu.com.tr/assets/files/faaliyet-raporlari/faaliyet-raporu-2019.pdf , P. 10-11, 26	
	102-8	23, 62	
	102-9	45-46	
	102-10	There were no significant changes.	
	102-11	17-20	
	102-12	61	
	102-13	61	
	STRATEGY		
	102-14	5-9	
	102-15	17-21	
	ETHICS AND INTEGRITY		
	102-16	18	
	102-17	18	
	GOVERNANCE		
	102-18	13-14	
	102-19	13-14	
	102-20	13-14	
	STAKEHOLDER ENGAGEMENT		
	102-40	14, 62	
	102-41	There are no employees working under collective bargaining agreement.	
	102-42	14-15	
	102-43	14-15	
	102-44	14-15	

GRI 102: GENERAL INDICATORS 2016

GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL INDICATORS 2016			
GRI 102: GENERAL INDICATORS 2016	REPORTING PRACTICE		
	102-45	4	
	102-46	4	
	102-47	15	
	102-48	There were no restatements.	
	102-49	There were no significant changes.	
	102-50	4	
	102-51	1 January 2018-31 December 2018	
	102-52	Sustainability Report is published annually.	
	102-53	4	
	102-54	4	
	102-55	65-70	
	102-56	No external assurance for the report provided.	
GRI 200: ECONOMIC STANDARD SERIES 2016			
ANTI-CORRUPTION			
GRI 103: MANAGEMENT APPROACH 2016	103-1	17	
	103-2	17	
	103-3	17	
GRI 205: ANTI-CORRUPTION 2016	205-2	17	
	205-3	17	
GRI 300: ENVIRONMENTAL STANDARDS SERIES			
ENERGY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	39-40	
	103-2	39-40	
	103-3	39-42	
GRI 302: ENERGY 2016	302-5	39-42	

GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
GRI 300: ENVIRONMENTAL STANDARDS SERIES			
WATER			
GRI 103: MANAGEMENT APPROACH 2016	103-1	42	
	103-2	42	
	103-3	42	
GRI 303: WATER 2016	303-1	63	
BIODIVERSITY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	44	
	103-2	44	
	103-3	44	
GRI 304: BIODIVERSITY 2016	304-2	44	
EMISSIONS			
GRI 103: MANAGEMENT APPROACH 2016	103-1	39-40	
	103-2	39-40	
	103-3	39-40	
GRI 305: EMISSIONS 2016	305-1	63	
	305-2	63	
EFFLUENTS AND WASTE			
GRI 103: MANAGEMENT APPROACH 2016	103-1	42	
	103-2	42	
	103-3	42	
GRI 306: EFFLUENTS AND WASTE 2018	306-2	63	

GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
GRI 300: ENVIRONMENTAL STANDARDS SERIES			
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	46-47	
	103-2	46-47	
	103-3	46-47	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	46-47	
GRI 400: SOCIAL STANDARDS SERIES			
EMPLOYMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	24	
	103-2	24	
	103-3	24	
GRI 401: EMPLOYMENT 2016	401-2	27, 31	
LABOUR/MANAGEMENT RELATIONS			
GRI 103: MANAGEMENT APPROACH 2016	103-1	24	
	103-2	24	
	103-3	24	
GRI 402: LABOUR/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	36	
	103-2	36	
	103-3	36	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	36	
	403-5	36	

GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
GRI 400: SOCIAL STANDARDS SERIES			
TRAINING AND EDUCATION			
GRI 103: MANAGEMENT APPROACH 2016	103-1	31	
	103-2	31	
	103-3	31	
GRI 404: TRAINING AND EDUCATION 2016	404-1	31	
	404-2	31-32	
	404-3	31	
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	24-25	
	103-2	24-25	
	103-3	24-25	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	25	
	405-2	There is no gender-based discrimination in remuneration.	
LOCAL COMMUNITIES			
GRI 103: MANAGEMENT APPROACH 2016	103-1	50	
	103-2	50-51	
	103-3	50-51	
GRI 413: LOCAL COMMUNITIES 2016	413-1	51-61	
SUPPLIER SOCIAL ASSESSMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	46-47	
	103-2	46-47	
	103-3	46-47	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	47	

GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
MATERIAL TOPICS THAT ARE NOT COVERED BY THE GRI STANDARDS			
R&D AND INNOVATION			
GRI 103: MANAGEMENT APPROACH 2016	103-1	43-44	
	103-2	43-44	
	103-3	43-44	
DIGITAL TRANSFORMATION			
GRI 103: MANAGEMENT APPROACH 2016	103-1	45	
	103-2	45	
	103-3	45	
FINANCIAL EFFICIENCY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	10-12	
	103-2	10-12	
	103-3	10-12	

