

**Arçelik**



\* Earth,  
*Home Planet*

# LEADING A BETTER FUTURE ON THE PALE BLUE DOT\*

INTEGRATED REPORT 2024  
EXECUTIVE SUMMARY



“Look again at that dot. That’s here. That’s home. That’s us. On it everyone you love, everyone you know, everyone you ever heard of, every human being who ever was, lived out their lives.

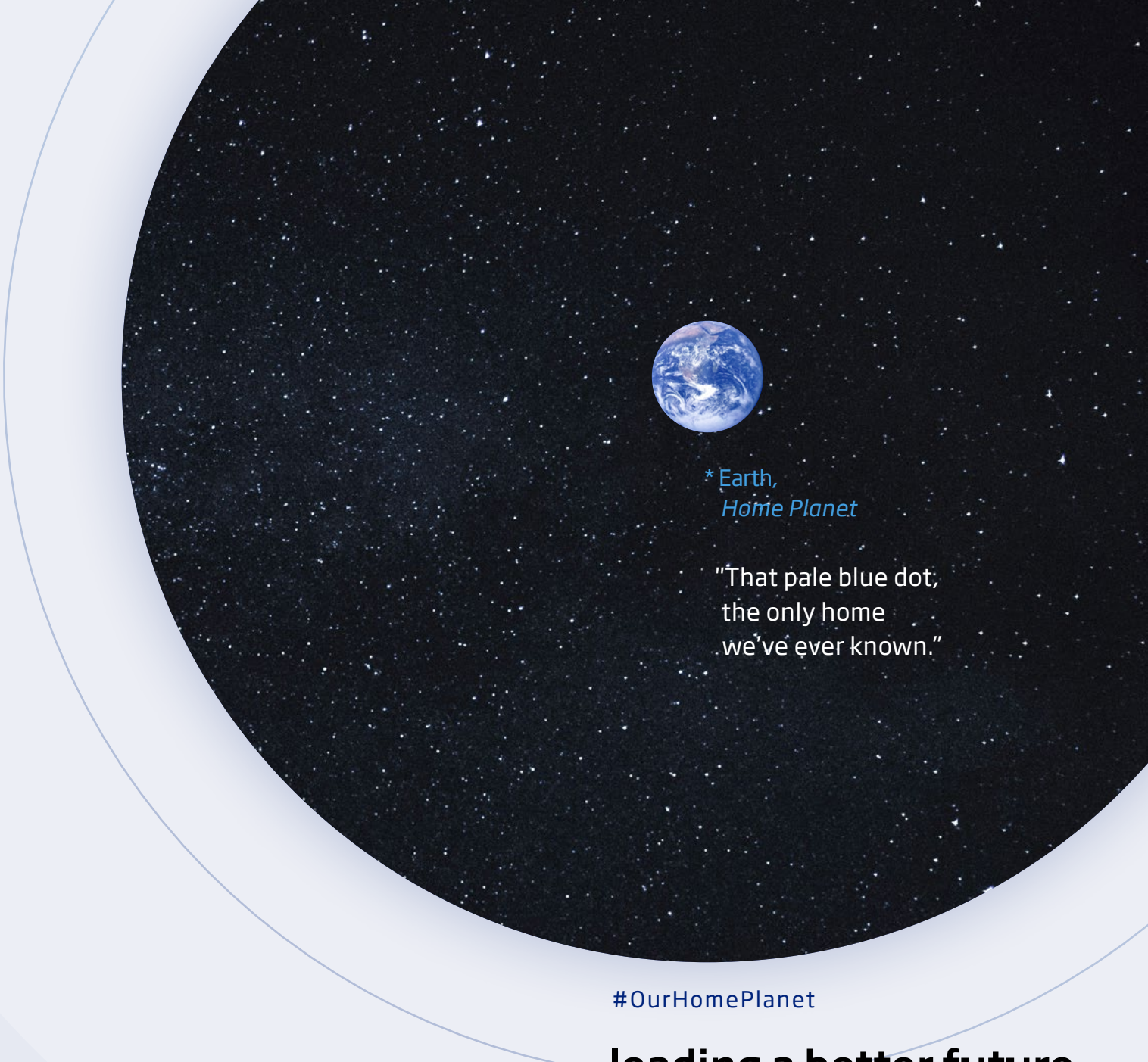
To me, it underscores our responsibility to deal more kindly and compassionately with one another and to preserve and cherish that pale blue dot, the only home we’ve ever known.”

– CARL SAGAN,  
SPEECH AT CORNELL UNIVERSITY, OCTOBER 13, 1994

This year, we draw inspiration from Carl Sagan’s reflection on the “pale blue dot,” reminding us that Earth—our only home—is both fragile and extraordinary. His words underscore the responsibility we share to act with greater kindness, compassion, and care for our planet.

Our 2024 Integrated Report embraces this vision. Circular design themes, symbolizing the Earth and the interconnectedness of life, are woven throughout the report, reinforcing our commitment to unity, renewal, and a sustainable future.

Guided by the idea of leading a better future on the pale blue dot, we reaffirm that sustainability is not just a business goal but a shared responsibility. Our report invites all our stakeholders to join us in preserving and cherishing the only home we’ve ever known.

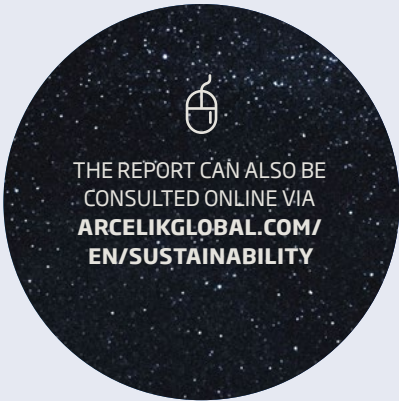


\* Earth,  
*Home Planet*

“That pale blue dot,  
the only home  
we’ve ever known.”

#OurHomePlanet


leading a better future  
on the **Pale Blue Dot**\*




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Icons Indicating Hyperlinks

 Redirects to external source of information


 Allows internal navigation throughout the Report


Icons Indicating Material Issues

 Energy and Water Efficient Products

 Product Quality and Safety

 Climate Action


 R&D, Innovation, Digital Transformation and Smart Solutions


 Data Privacy and Cybersecurity

 Customer and Consumer Experience

 Water Management

 Occupational Health and Safety


 Sustainable Supply Chain Management

 Future Fit Culture, Talent and Organizational Management


 Material Recycling and Reduction

 Durability, Reparability and Refurbishment

 Sustainable Financing

 Corporate Governance


 End of Life Responsibility of Products

 Business Ethics and Transparency

 Corporate Citizenship

 Chemicals Management

 Waste Management

 Biodiversity



The Report is for the first time prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS) and EU Corporate Sustainability Reporting Directive (CSRD) requirements.

We are pleased to present our Integrated Report 2024 prepared in accordance with the reporting framework of the International Integrated Reporting Framework (IIRC), Global Reporting Initiative (GRI), Türkiye Sustainability Reporting Standards (TSRS) and EU Corporate Sustainability Reporting Directive (CSRD).

This report addresses how we create value for all our stakeholders as a consumer durables and consumer electronics company with an impact on the environment and society. It offers a comprehensive overview of our strategy, policies and business model, the risks and opportunities we face as well as our financial, environmental, social and governance performance. Each year, our aim is to align with the reporting standards and inform our stakeholders transparently and effectively.

In 2024, we took a significant step in our global growth journey and implemented a strategic move that made us the market leader in Europe and the second largest worldwide by volume. This move involved the merger of Whirlpool's

sales, production, and distribution subsidiaries in Europe with our own European commercial operations under the Beko Europe umbrella, completed in April 2024. In addition, during the same period, Whirlpool's operations and subsidiaries in the Middle East and North Africa were also acquired. Furthermore, production commenced this year at our new factories in Egypt and Bangladesh, whose foundations were laid in 2022 and 2023, respectively.

Unless otherwise stated, the information and data included in our report have been prepared within the scope of our operations carried out between January 1, 2024, and December 31, 2024. The report has been prepared in parallel with the Annual Report for the same period and is recommended to be read in conjunction with it. It covers Arçelik A.Ş. and its subsidiaries on a consolidated basis, and all financial information and figures are presented in Turkish Lira (TRY). In this context, the social and environmental indicators presented in the report represent more than 75% of our revenue, business operations, or full-time equivalent (FTE) employees. Similarly, unless otherwise stated, the 2023 and 2024 financial data presented in this Report\* are expressed in nominal terms without the application of IAS 29 Financial Reporting in Hyperinflationary Economies.

In accordance with the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority (KGK) dated May 8, 2025, the Company's sustainability-related financial disclosures have been prepared as a separate report titled "TSRS Compliant Sustainability Report" within its general-purpose financial reporting framework and remain an integral part of this Report.

All information regarding ESRS disclosure requirements can be found in the Sustainability Statement and ESRS Index of this Report. Additionally, while the Task Force on Climate-related Financial Disclosures (TCFD) has fulfilled its remit and disbanded as of October 2023, Arçelik not only maintains its TCFD support but also aligns its climate-related disclosure with the evolving standards under the IFRS Foundation ISSB.

The assurance statements we have received as a result of the audits carried out in accordance with recognized international standards on the selected indicators are included in Annex 3. Assurance Report.

\*Excluding the 2024 Highlights and Business Model and Value Chain sections' data whose details can be accessed through the In Touch with Planet, In Touch with Human Needs, In Touch with Business, and Annex sections.

Please see our TSRS Compliant Sustainability Report

ALIGNING OUR DISCLOSURES WITH REPORTING LEGISLATIONS AND FRAMEWORKS

This report demonstrates our alignment with the goals and principles of the following legislations and international frameworks:

- Türkiye Sustainability Reporting Standards (TSRS)
- EU Corporate Sustainability Reporting Directive (CSRD)
- IFRS Foundation, International Sustainability Standards Board (ISSB)
- The International Integrated Reporting Framework (IIRC)
- The Standards by Global Reporting Initiatives (GRI)
- WEF Stakeholder Capitalism Metrics (SCM)
- Task Force on Climate- Related Financial Disclosures (TCFD)
- The standards by the Sustainability Accounting Standards Board (SASB) - Volume 2: Appliance Manufacturing
- United Nations Global Compact (UNGC)
- UN Sustainable Development Goals (SDGs)
- Women's Empowerment Principles (WEPs)

For further information, please see Annexes section of the 2024 Integrated Report.

# A MESSAGE FROM OUR CEO

INTRODUCTION

STRATEGIC  
APPROACH TO  
SUSTAINABILITY

IN TOUCH WITH  
OUR PLANET

IN TOUCH WITH  
HUMAN NEEDS

IN TOUCH WITH  
BUSINESS

Dear Stakeholders,

**We have entered a decisive decade - one that will determine not only the future of our business but the future of life as we know it. Climate disruption, geopolitical tensions, inflation, and deepening inequalities are converging into a global crisis. In this context, business has a critical role to play not in responding reactively, but in leading with clarity and conviction.**

At Beko, we’ve built our strategy around a simple truth: sustainable growth is not optional. It’s the only way forward. Even in a year marked by volatility from trade barriers and inflation to supply chain disruption we stayed focused on what matters most: reducing our carbon footprint, designing energy-efficient products, minimizing waste, and scaling up the use of sustainable practices.

The year 2024 was the hottest ever recorded, with global temperatures exceeding 1.5°C above pre-industrial levels across the entire year. This threshold - long seen as a boundary for dangerous climate change - has now been crossed. Scientists warn that 2025 is likely to be among the three warmest years on record. Every fraction of

a degree beyond this line increases the risk of irreversible damage to ecosystems, coastal cities, and future generations.

Yet, instead of reinforcing commitments, some governments are quietly adjusting targets, shifting from 1.5°C to 2°C. That shift undermines the urgency of the moment and risks normalizing failure at a time when we need ambition more than ever. We cannot afford to accept this backslide. Holding the line at 1.5°C is vital - to protect biodiversity, vulnerable communities, and the credibility of global climate frameworks.

Alongside rising temperatures, 2024 also saw an alarming acceleration in sea level rise. NASA reported an annual increase of 0.59 cm significantly higher than earlier projections. The link is clear: as oceans absorb excess heat, they expand and when glaciers and ice sheets melt at accelerating rates, the impact compounds. Sea levels rise faster, and the consequences reach every coastline on Earth. The planet is currently losing 273 billion tons of ice each year equivalent to the total water consumption of the global population over the next 30 years.

In recognition of the urgency, the United Nations declared 2025 the International Year of Glacier Conservation. According to the International Cryosphere Climate Initiative, surpassing the 1.5°C threshold could set in motion irreversible

melting of Greenland and Antarctica. The long-term consequence could be over 10 meters of sea level rise displacing hundreds of millions, even if temperatures stabilize later.

The economic stakes are equally high. The World Economic Forum warns that global GDP could decline by up to 22% by 2100 without urgent action. Meanwhile, investments in resilience are already yielding strong returns generating \$2

to \$19 for every \$1 spent. The evidence is clear: acting now safeguards lives, economies, and long-term stability.

This year our report is titled Pale Blue Dot, inspired by Carl Sagan’s enduring reminder: “The Earth is the only world known so far to harbor life... Like it or not, for the moment the Earth is where we make our stand.” These words remain deeply relevant. We take this stand seriously.





Because we believe businesses, more than any other actors, hold the power to turn the tide.

At Beko, we have embraced that responsibility. Our goal is to become a net-zero company by 2050, fully aligned with the 1.5°C pathway. The Science Based Targets initiative (SBTi) has validated both our 2030 and 2050 targets, ensuring they meet the highest scientific standards.

We are committed to reducing absolute Scope 1 and 2 emissions by 42% by 2030, using 2022 as a baseline. We also aim to reduce absolute Scope 3 emissions -primarily from the use of our products- by 42% by 2030. In the long term, we are targeting a 90% reduction across all three scopes, with the remaining emissions removed through credible carbon removal solutions. Scope 3 emissions account for 99% of our total footprint, as approximately 80% of its Scope 3 GHG emissions stem from the use phase. That’s why we are focused on energy efficiency, durability, and lifecycle performance in everything we design.

We are also transforming our manufacturing model. Our factories in Ulmi (Romania), Eskişehir (Turkey), and now Ankara have all been selected for the World Economic Forum’s Global Light-house Network, reflecting our leadership in sustainable, tech-enabled production. These sites use green electricity, advanced water treatment

systems, and resource-efficient processes.

We continue to expand in new markets with resilience in mind. Our facility in Egypt was built with a zero-waste philosophy and circular design principles. In Bangladesh, we constructed flood defenses capable of withstanding up to four meters of water - ensuring continued operations for decades, even as environmental risks grow.

Throughout 2024, we implemented 332 energy efficiency projects across our global production sites. These projects saved 59,901 GJ of energy and avoided 5,800 tons of CO<sub>2</sub>e emissions. We also saved 223,650 m<sup>3</sup> of water through efficiency upgrades and rainwater harvesting. Our waste recycling rate reached 98.5%, and we are targeting 99% across all facilities.

Electrifying everything is one of the clearest levers for rapid decarbonization and we are acting accordingly. As of 2024, 60.5% of the electricity we use in manufacturing comes from renewable sources. Our goal is to reach 100% by 2030 in every country where we operate. Our installed renewable energy capacity reached 90.2 MWp last year, significantly reducing our emissions and operational costs.

The International Energy Agency estimates that renewables will account for 95% of the growth in global electricity demand by 2027. This shift

is not only vital for climate - it also increases energy security and drives down volatility. As electricity demand surges globally, scaling clean power will be essential for every sector.

But sustainability is not only about emissions. It’s about creating fair access to opportunity, ensuring resilience, and using resources responsibly. It’s about designing products that serve people’s needs without compromising future generations.

As we mark Beko’s 70th anniversary, we remain committed to shaping a business that delivers positive impact at scale. We are building this future through collaboration, innovation, and purpose-driven leadership.

To all our colleagues, partners, and customers—thank you. Your trust, passion, and perseverance make this journey possible.

We are no longer in the decade of awareness. We are in the decade of delivery. And we strive to lead.

Best regards,  
**Hakan BULGURLU**

*Hakan Bulgurlu*



INTRODUCTION

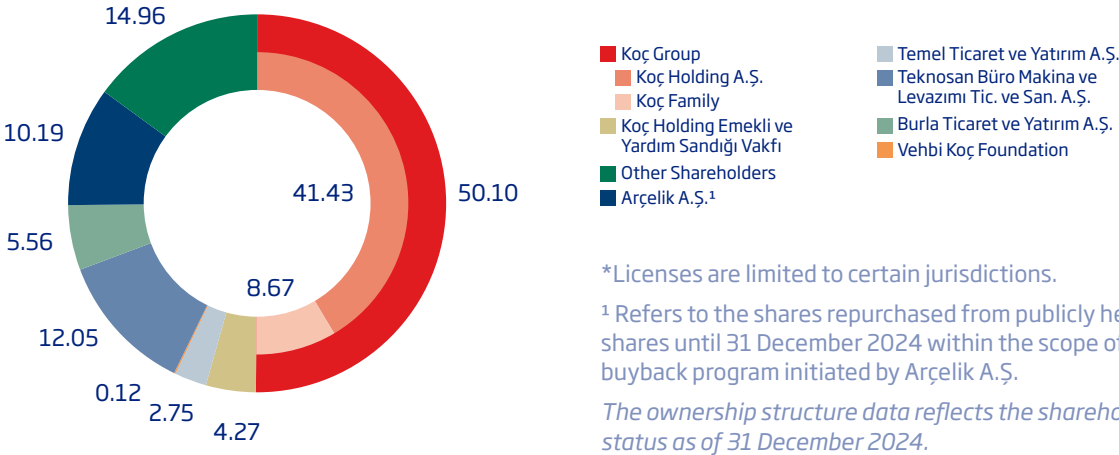
Arçelik serves as the central entity of a global network comprising 124 subsidiaries across 58 countries, with 45 production facilities in thirteen nations and a workforce exceeding 50,000 employees worldwide. The company’s portfolio includes renowned brands such as Arçelik, Beko, Whirlpool\*, Grundig, Hotpoint, Arctic, Ariston\*, Leisure, Indesit, Blomberg, Defy, Dawlance, Hitachi\*, VoltasBeko, Singer\*, ElektraBregenz, Flavel, Bauknecht, Privileg, Altus, Ignis, Polar.

In 2024, Arçelik reported consolidated revenues of TRY 428.5 billion (EUR 10.6 billion), with 68% generated from markets outside Türkiye. Its commitment to innovation is evidenced by over 2,300 research personnel employed across 30 R&D and design centers globally, resulting in more than 3,500 patent applications and patents across all operational segments.

For the sixth consecutive year, Arçelik achieved the highest score (87/100 points) in the DHP Household Durables Industry in the Dow Jones Sustainability. Notably in 2024, its dishwasher plant in Ankara, Türkiye joined the washing machine plant in Ulmi, Romania, and refrigerator plant in Eskişehir, Türkiye as members of the “Global Lighthouse Network,” a prestigious community of manufacturers leading in Fourth Industrial Revolution technologies. Furthermore, Arçelik’s dedication to sustainable practices in water and energy management earned its Ulmi washing machine plant a position among the World Economic Forum Global Lighthouse Network’s 10 Sustainability Lighthouses. The company secured the 17th spot on TIME Magazine and Statista’s list of the World’s Most Sustainable Companies, with a score of 81.53 out of 100, placing first among all companies in the “Retail, Wholesale & Consumer Goods” category.

Ownership Structure

SHAREHOLDER	SHARE IN CAPITAL (%)	NOMINAL SHARE VALUE (TRY)	NUMBER OF SHARE AND VOTING RIGHT (number)
Koç Holding A.Ş.	41.43%	279,928,625.03	27,992,862,503
Koç Family	8.67%	58,590,764.33	5,859,076,433
Koç Holding Pension and Aid Fund Foundation	4.27%	28,862,920.21	2,886,292,021
Temel Ticaret ve Yatırım A.Ş.	2.75%	18,576,870.00	1,857,687,000
Vehbi Koç Foundation	0.12%	808,976.88	80,897,688
Teknosan Büro Makina ve Levazımı Tic.ve San. A.Ş.	12.05%	81,428,336.95	8,142,833,695
Burla Ticaret ve Yatırım A.Ş.	5.56%	37,571,663.05	3,757,166,305
Arçelik A.Ş. <sup>1</sup>	10.19%	68,876,288.02	6,887,628,802
Other Shareholders	14.96%	101,083,760.54	10,108,376,054
Total	100.00%	675,728,205.00	67,572,820,500





Arçelik maintains its operations in 58 countries with its subsidiaries, production facilities, R&D centers, and offices supporting a workforce of more than 50,000 employees worldwide, where 34% of the employees are located in the company’s country of headquarters and 66% in locations abroad. With our robust infrastructure that includes 45 production facilities, we have steadily expanded our operations since 1955 and extended our reach to six continents.

-  Production Facilities
-  R&D and Design Centers and Offices
-  Subsidiaries and Branches
-  Partners



FINANCIAL KEY FIGURES

INTRODUCTION

STRATEGIC  
APPROACH TO  
SUSTAINABILITY

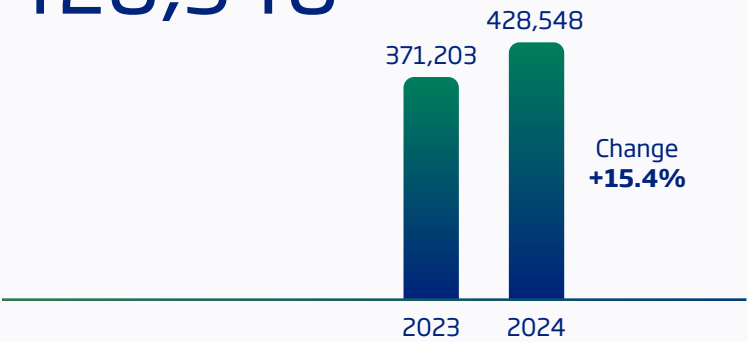
IN TOUCH WITH  
OUR PLANET

IN TOUCH WITH  
HUMAN NEEDS

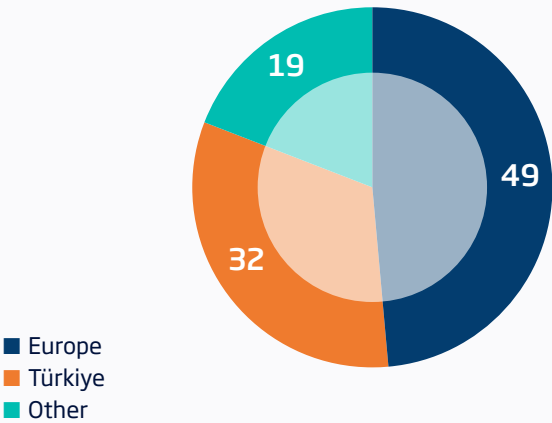
IN TOUCH WITH  
BUSINESS

Net Sales  
TRY Million

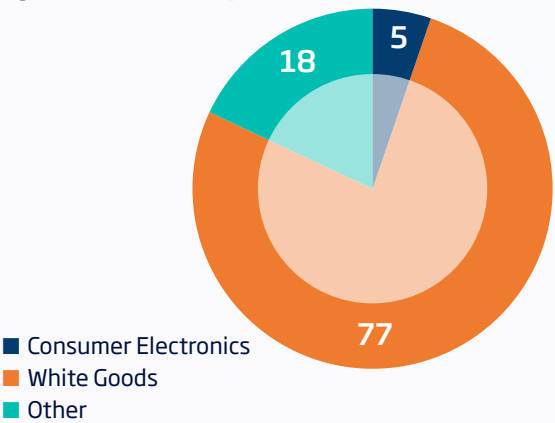
428,548



Geographical Distribution of  
Net Sales (%)

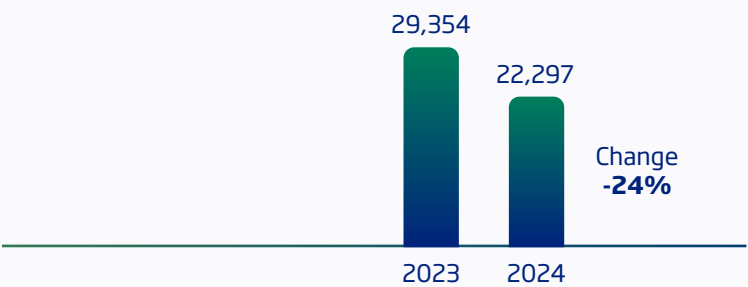


Distribution of Net Sales  
by Product Group (%)



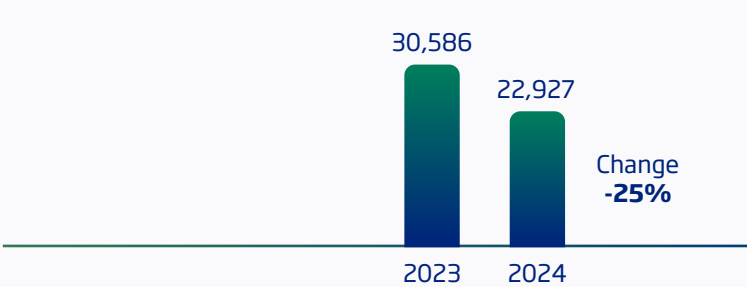
EBITDA  
TRY Million

22,297



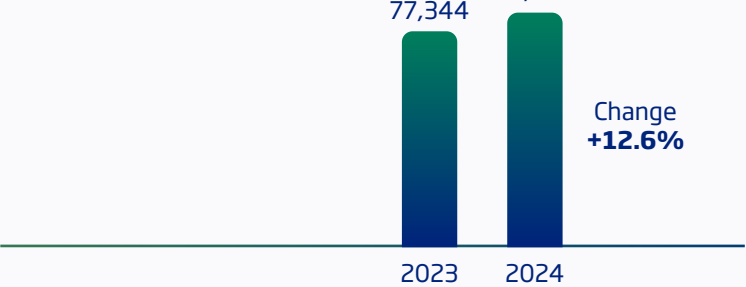
Adjusted EBITDA<sup>1</sup>  
TRY Million

22,927



Net Debt  
TRY Million

87,110



1 The adjusted EBITDA amount has been calculated by excluding expenses incurred in business combinations.

➤ For further information, please refer to Annex 12. Economic Performance Indicators of the 2024 Integrated Report and 2024 Annual Report.



INTRODUCTION

STRATEGIC  
APPROACH TO  
SUSTAINABILITY

IN TOUCH WITH  
OUR PLANET

IN TOUCH WITH  
HUMAN NEEDS

IN TOUCH WITH  
BUSINESS



In Touch with **Business**

FINANCIALS

**TRY 6,073 Million**  
all environmental related investments and expenditures

Net Sales  
**TRY 428,548 Million**

**EUR 3.77 Million**  
fund from Horizon Europe Projects

White Goods  
**TRY 329,739 Million**

Consumer Electronics  
**TRY 22,156 Million**

Other  
**TRY 76,653 Million**

Empowering change through **sustainable and green deposits**

Established **Sustainability-Linked Financing Framework**

BUSINESS

Over **EUR 7 Billion**  
total purchasing volume reached

Long-term environmental target commitment received from **198 Suppliers**

RESEARCH & DEVELOPMENT

**TRY 517.8 Million**  
saving achieved with digital transformation projects

**More than 700 R&D Projects**  
carried out

**Ankara Dishwasher Plant** recognized in the **WEF Global Lighthouse Network**

**22 Projects**  
funded in the scope of Horizon Europe

In Touch with **Planet**

ENVIRONMENT

**Committed to be Net Zero in 2050**  
aligned with SBTi Corporate Net Zero Standard

**60.5%**  
green electricity usage ratio in all manufacturing operations

**223,650 m³**  
water saved and recycled

**59,901 GJ** energy saved and **5,800 tCO<sub>2e</sub>** prevented with energy efficiency projects in production processes

**90.2 MW<sub>p</sub>** Renewable Energy Installed Capacity

PRODUCTS

**17,163 Tonnes**  
of material reduction

**27,835 Tonnes**  
of recycled plastic used in MDA and SDA products

**61.9%** turnover from energy efficient products

**71.5%** turnover from low-carbon products

**1.86 Million**  
WEEE units recycled in our recycling plants since 2014

In Touch with **Human Needs**

PEOPLE

Reached **10,236 Kenyans in need with the water or sanitation solutions**  
with the Water.org partnership

Reached **40 women engineering students**  
with the We-inTech Program

Reached **125 women dealers**  
under the Her Business, Her Power project

Reached **734 women technicians**  
under the 500 Women Technicians project

Provided **STEM trainings to 34,819 girls**  
under the Digital Wings project

Helped save **2,471 Tonnes of food** from being wasted and served **3.97 million meals**  
in Refettorios with the Food For Soul and Massimo Bottura partnership

PRODUCTS THAT CREATE SOCIAL VALUE

**Solar Hybrid Fridge** offering a cooling system using electricity from the electricity grid and solar energy alternately

As of 18/02/2025, our company scored 87 (out of 100) and achieved the highest CSA score out of 78 companies assessed in the Household Durables Industry in the **S&P Global Corporate Sustainability Assessment**. Additionally, we have been included in the Dow Jones Sustainability Index for the 8th consecutive time. Our company has also been ranked in **the top 1% of the best-performing** companies in the **2025 S&P Sustainability Yearbook**.



The Ankara Dishwasher Factory has completed its digital transformation with artificial intelligence, machine learning, and IoT infrastructure. In 2024, it was admitted to **the Global Lighthouse Network by the World Economic Forum**, recognizing it among the global leaders in Industry 4.0. With this achievement, it has become our company's third factory to be included in this network, following the Ulmi Washing Machine Factory and the Eskişehir Refrigerator Factory.



Our company was deemed worthy of the "Prime" degree in the **International Shareholder Services ESG Rating**.



We received 13.6 from **Morningstar Sustainability ESG Risk Rating** as of 14/10/2024 and was assessed to be at low risk of experiencing material financial impacts from ESG factors.



The company secured the **17th** spot on **TIME Magazine** and Statista's list of the **World's Most Sustainable Companies**, with a score of 81.53 out of 100, placing first among all companies in the "Retail, Wholesale & Consumer Goods" category.



We have been listed in the Corporate Knights' Global 100 Index for the 5th consecutive year. **Ranked 68th on the list**, our company achieved to be the leader in Household Durables industry and HQ country in the **2025 Corporate Knights' Global 100 Index**. The company has been included in **the Corporate Knight's Clean200 List** for the third time, recognizing its strong commitment to generating revenue from clean sources.

Our company has been listed in **CDP's 2024 Global A List** by achieving an A score on CDP Climate Change Program 2024 and an A score on CDP Water Security Program 2024. We took our place among the companies with the highest score at **CDP's annual Supplier Engagement Rating (SER)** for our effective management of climate issues throughout our supply chain.



We have obtained a score of 72/100 and have been awarded a **Silver EcoVadis Medal** in 2025 for this achievement (Access date: 11.03.2025).



Our company has been listed on **FTSE4Good** Emerging Market Index since 2016 as a company with firm ESG performance measured by FTSE Russell, part of the London Stock Exchange Group.



In 2024, the company won awards in two categories at the 11th **Türkiye Sustainable Business Awards**. After receiving the Best Sustainability Report Award for five consecutive years, the 2023 Sustainability Report was honored with the Special Recognition Award in 2024. Additionally, the Arçelik Neo Autonomous Washing Machine won the Sustainable Product Innovation Award.



After having been assigned a "AA" rating in the **MSCI Sustainability Index** in 2015, Arçelik improved that rating the next year and has held a **"AAA"** rating ever since.



Our company has been consistently included in the **BIST Sustainability Index** ever since the company was first admitted to the index in November 2014. With the commencement of the **BIST Sustainability 25 Index** calculation, Arçelik has been listed as of 2022.



We achieved the highest LSEG ESG score (88/100), securing first place based on the 2023 ESG assessment (Access date: 04.04.2025).





With our vision of **Respecting the World, Respected Worldwide**, we believe in the power of acting together. With our In Touch Technology approach, we design the future and create value for all our stakeholders by establishing strategic collaborations.

- We strongly support the **United Nations Global Compact (UNGC)** and incorporate its Ten Principles into all our business operations. We annually disclose and report our progress on how we applied these Principles.

➤ For further information regarding Communication on Progress (CoP) and various activities and engagements listed on our Participant profile, please refer to the [Global Compact website](#).

- We are proud to be part of the **UN Global Compact’s CFO Taskforce**, which brings together a multi-sectoral group of corporate finance leaders, investors, financial institutions, and the United Nations to share ideas and develop new concepts and frameworks.

➤ For further information, please refer to the [CFO Taskforce website](#).

- We are one of early movers of **the Forward Faster Initiative** which was launched by the UN Global Compact at the 78th UN General Assembly in September 2023. Forward Faster challenges businesses to elevate their ambitions in five strategic areas (living wage, gender equality, climate action, water action, and sustainable finance) to accelerate private sector action at the pace and scale needed to deliver on the 17 Sustainable Development Goals (SDGs) and meet the 2030 Agenda. As part of the Forward Faster initiative, we commit to accelerating our progress on the two strategic areas which are **Climate Action and Water Resilience**.

➤ For further information, please refer to the [Sustainability Targets section of the Report](#).

- We are one of the companies endorsing the **UN CEO Water Mandate**, a platform for business leaders and learners to make commitments and enhance water stewardship. As part of our commitments, we established a new partnership with **Water.org** to support a community program that will empower 10,000 Kenyans in need with access to safe water and sanitation solutions.

➤ For further information, please refer to the [UN CEO Water Mandate website](#).

➤ For further information, please refer to the [Community Development and Partnerships section of the 2024 Integrated Report](#).

- We are a member of **the World Economic Forum’s Alliance of CEO Climate Leaders** which is a global CEO-led community in the world committed to climate action.
- We have become one of the signatories of **the Business Ambition for 1.5°C, Race to Zero Campaign** in September 2021, which is an urgent call to action from a global coalition of UN agencies, business and industry leaders, in partnership with **the Race to Zero**.
- Our net zero emissions reduction target aligned with **SBTi’s Net-Zero Standard** by 2050 has been validated by **the SBTi**.

➤ For further information, please refer to the [SBTi website](#).

➤ For further information, please refer to the [Sustainability Targets and Climate Action sections of the Report](#).

- **EP100**, including over 100 energy-smart companies dedicated to using energy more efficiently, is governed by the Climate Group in partnership with the World Green Building Council. As a signatory company, we set targets to increase energy efficiency by doubling our global economic output for each unit of

energy consumed from 2010 to 2030 and plan to implement ISO 50001 Energy Management Systems in all manufacturing plants by 2025.

- **WBCSD** is a network focused on sustainable development that supports businesses to acquire tools and expertise, engage with sound partnerships, and share knowledge to move forward on their sustainability path. In 2024, we continued to be involved in working groups and various programs under WBCSD that helped us accelerate our transition to climate action. In addition, our CEO Hakan Bulgurlu continued his role as one of the New Executive Committee (ExCo) members in 2024 for WBCSD. We also joined WBCSD’s Reporting Matters program in 2020 for the assessment of its sustainability report with international reporting standards along with the principles of WBCSD. In the Reporting Matters 2024, Arçelik’s 2023 Sustainability Report was reviewed among others.

➤ For further information, please refer to the [Reporting Matters 2024](#).

# GLOBAL PARTNERSHIPS AND ENGAGEMENT

- Being a signatory of the **United Nations Women's Empowerment Principles (WEPs)** since 2017, we focus on the goal of empowering women in the business world, which is one of the most important elements of accelerating socio-economic development.
- The Company has been actively promoting gender equality among key stakeholders, raising awareness, increasing women's employment opportunities, and supporting their professional development. Outside of our offices and production facilities, women's employment is actively encouraged in the value chain through suppliers, authorized services, dealers, and stores. We share our progress and activities in the field of gender equality publicly in its corporate reports every year and takes an active role in the events and projects organized by UN Women.
- For further information, please refer to the Sustainability Targets table and Annex 16. UNGC & WEPs Disclosure sections of the 2024 Integrated Report.
- As a Koç Group company, we became a supporter of the Action Coalition platform, which aims to mobilize key actors from the private sector, civil society, international organizations, and governments around the world to deliver lasting change by tackling key barriers to gender equality in the technology and innovation field for women and girls worldwide. As part of the Action Coalition, since 2021, we have submitted three commitments to achieve concrete change and set six transformative objectives which aim to advance gender equality in fields of technology and innovation over the next five years.
- For further information, please refer to the Sustainability Targets table and Supporting Society with Equal Opportunities and Inclusion section of the 2024 Integrated Report.
- Our CEO Hakan Bulgurlu, since 2023, has been the President of the European Association of Home Appliance Manufacturers (APPLiA), the Brussels-based association representing home appliance manufacturers in Europe.





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KEY THEMES



ENVIRONMENTAL  
TRENDS



SOCIETAL  
TRENDS



DIGITALIZATION  
& TECHNOLOGY  
TRENDS



STANDARDS &  
REGULATORY  
TRENDS



ECONOMIC,  
COMPETITION &  
GEOPOLITICAL  
TRENDS

KEY TRENDS

- **Environmental Impact & Sustainability Demand:** As consumers and regulatory demands for sustainable products increase, there is an urgent need to reduce greenhouse gas (GHG) emissions and work within planetary boundaries. Environmental trends are significantly impacting the world and the home appliances industry. As human activities continue to disrupt the environment, collective efforts and action are required to reduce GHG emissions and implement measures to mitigate the effects of climate change. Efforts for the transition towards a circular and net zero emission economy drive the development of resource efficient appliances with innovative production technologies based on lowering the environmental footprint. In this regard, businesses also seek ways to increase reuse, repair, and recycling of appliances, reducing waste, and minimizing environmental impact.
- **Consumer Behavior & Demand:** Consumers, especially younger generations (Gen Z & Millennials), prioritize sustainability, ethics, and convenience. There is a growing demand for energy-efficient, durable, and repairable products that offer long-term cost savings and reduced environmental impact.
- **Aging Population & Urbanization:** Smaller living spaces and an aging population drive demand for multifunctional, accessible, and space-saving appliances.
- **Connected Living:** Consumers expect seamless integration of smart appliances into their homes, driving demand for IoT-enabled, AI-driven, and remotely controlled appliances.
- **AI, Cybersecurity & Data Analytics:** AI enhances appliance functionality, while the rise of connected devices introduces greater cybersecurity and data privacy concerns.
- **Workforce & Operational Transformation:** Digitalization is transforming both products and manufacturing processes, requiring new skills and automation to enhance operational efficiency.
- **Stricter ESG Standards & Regulations:** Adhering to Environmental, Social, and Governance (ESG) standards and regulations has become a fundamental requirement for businesses, as companies are now expected to comply with global sustainability frameworks and regulations to ensure responsible and ethical operations.
- **Carbon & Climate Compliance:** Stricter energy efficiency standards and carbon-related costs are driving the industry toward eco-friendly product designs and emissions reduction strategies.
- **Trade Barriers, Geopolitical Risks, and Market Distortions:** Trade restrictions are reshaping global trade flows and intensifying competition. China's slowing domestic market has led manufacturers to export excess production to foreign markets, particularly in Europe, intensifying global competition. To remain competitive, Chinese manufacturers often engage in product dumping, selling goods below production cost, which makes it difficult for local and international competitors to match prices without losing money. This practice distorts the market and creates instability. In response, some regions have imposed trade barriers and tariffs on Chinese products to protect domestic industries, further complicating global trade dynamics. Additionally, some Chinese imports have been banned in certain areas, adding more regulatory scrutiny and disrupting the global supply chain. Together, these factors are reshaping global competition, making it harder for businesses to operate in a fair and predictable market.
- **Supply Chain & Manufacturing Risks:** Geopolitical disruptions and supply chain challenges are prompting localization and diversification of suppliers. The ongoing wars have caused economic instability, energy supply challenges, and shifts in global trade flows. Sanctions on some countries and supply chain disruptions have increased raw material costs, impacting manufacturing and logistics. The uncertainty surrounding the conflict continues to affect market stability, requiring companies to develop agile strategies to navigate these risks.

IMPLICATIONS FOR OUR COMPANY

In response to these environmental trends, we are focused on designing energy-efficient, durable, and recyclable products while implementing sustainable production processes. We are aware of the growing importance of enhancing resource efficiency in our products and production processes, efficiently managing water and waste, and adopting circular solutions. Furthermore, we are committed to complying with stringent chemical regulations and exceeding industry expectations. Aligned with Science-Based Targets Initiative (SBTi) goals and our commitment to achieving net-zero emissions, we are investing in innovation and circular economy practices to reduce our environmental footprint. This approach not only aligns with global sustainability goals but also positions us as a leader in sustainable home appliances, driving both environmental responsibility and business growth.

For further information, please refer to the In Touch with Planet and Product Stewardship sections of the Report.

We are aware of the shifting demographic trends, including urbanization, an aging population, and evolving preferences among younger generations. As living spaces become smaller, there is a growing demand for compact, multifunctional, and accessible appliances. To address this, we are designing products with space-saving features, easy usability, and enhanced accessibility. At the same time, younger consumers prioritize sustainability, ethics, and convenience, driving demand for energy-efficient, durable, and repairable products. To meet these expectations, we are enhancing product repairability, exploring alternative business models, and ensuring transparency in our sustainability claims. By aligning with these values, we aim to foster long-term customer loyalty, build trust, and create innovative solutions that cater to the diverse needs of modern consumers.

For further information, please refer to the Product Stewardship section of the Report.

We are aware of the growing demand for smart, energy-efficient, and interconnected appliances. To meet this, we are integrating IoT-enabled, AI-driven, and remotely controlled technologies into our products, ensuring compatibility with major smart home ecosystems to enhance convenience, automation, and energy optimization. By combining these technologies with energy efficiency, we align with evolving consumer expectations and sustainability goals. Additionally, we are utilizing AI and data analytics to improve appliance functionality through predictive maintenance, adaptive performance, and personalized user experiences. As digitalization reshapes both our products and manufacturing processes, we are investing in automation, operational efficiency, and workforce upskilling to stay competitive. We are also committed to safeguarding consumer data by implementing robust cybersecurity measures to ensure privacy compliance and maintain trust. This approach helps us reduce costs, enhance sustainability, and cater to tech-savvy and cost-conscious consumers in an increasingly digital world.

For further information, please refer to the R&D, Innovation, and Digital Transformation and Product Stewardship sections of the Report.

We are aware of the increasingly strict circular economy and ESG regulations and compliance with ESG standards which have become mandatory. These include standards and regulations such as the European Sustainability Reporting Standards (ESRS), the International Sustainability Standards Board (ISSB), and its Turkish counterpart, Türkiye Sürdürülebilirlik Raporlama Standartları (TSRS), and sectoral sustainability standards of Sustainability Accounting Standards Board (SASB). Additionally, there is growing adoption of policies like the Green Claims Directive, the removal of Expanded Polystyrene (EPS)-free packaging, and the Carbon Border Adjustment Mechanism (CBAM). Furthermore, we are addressing Extended Producer Responsibility (EPR) regulations, ensuring accountability for the entire product lifecycle, including recycling and waste management. These regulatory developments not only drive greater transparency and sustainability but also enhance investor confidence through improved reporting and compliance practices.

For further information, please refer to the About this Report, Sustainability Statement, Materiality Analysis, and Product Stewardship sections of the Report.

We recognize the shifting market dynamics and intensifying competition and are adapting our products to meet the diverse needs of global markets. By leveraging strategic pricing, product differentiation, and a focus on emerging market demands, we aim to expand our market share and strengthen our international presence. The evolving global trade landscape—marked by trade barriers, geopolitical risks, and potential product dumping—introduces new challenges that require a proactive approach. To navigate these complexities, we are refining our production strategies and diversifying our supplier network to mitigate risks such as economic instability, sanctions, and supply chain disruptions. Additionally, in response to geopolitical tensions, including conflicts that impact trade routes and economies, we are investing in resilient logistics strategies that ensure efficient product delivery, enhance cost-effectiveness, and minimize our carbon footprint. This flexible and adaptive approach allows us to stay agile amid regulatory changes, protect market stability, and reinforce our commitment to sustainability and long-term business resilience.

For further information, please refer to the Sustainable Supply Chain and Product Stewardship sections of the Report.

We acknowledge the profound impact of ongoing global trends, presenting both challenges and opportunities for our business, as we navigate through the complex world environment. To stay up to date with these evolving realities, we continuously gather information from diverse sources with a holistic perspective, covering sectoral and industrial developments, global risks, opportunities, regulations, Corporate Social Responsibility (CSR) trends and global sustainability indices. This comprehensive approach allows us to recognize and tackle emerging trends that will continuously affect our planet, human needs, and business operations, shaping our operating environment and allowing the refinement of our strategies. Guided by our sustainability strategy, we effectively manage these global trends by aligning our efforts with the UN Sustainable Development Goals (SDGs).

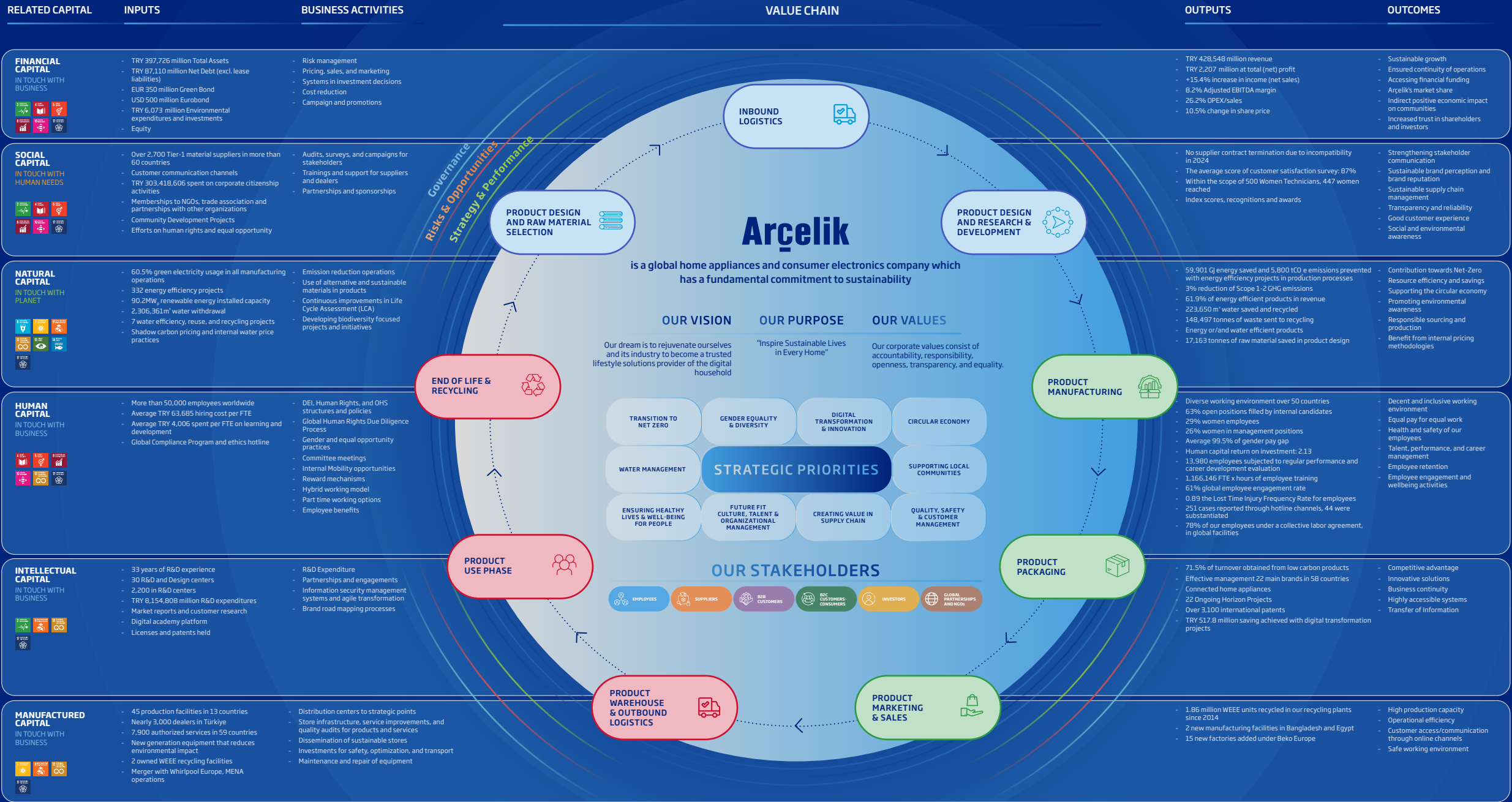
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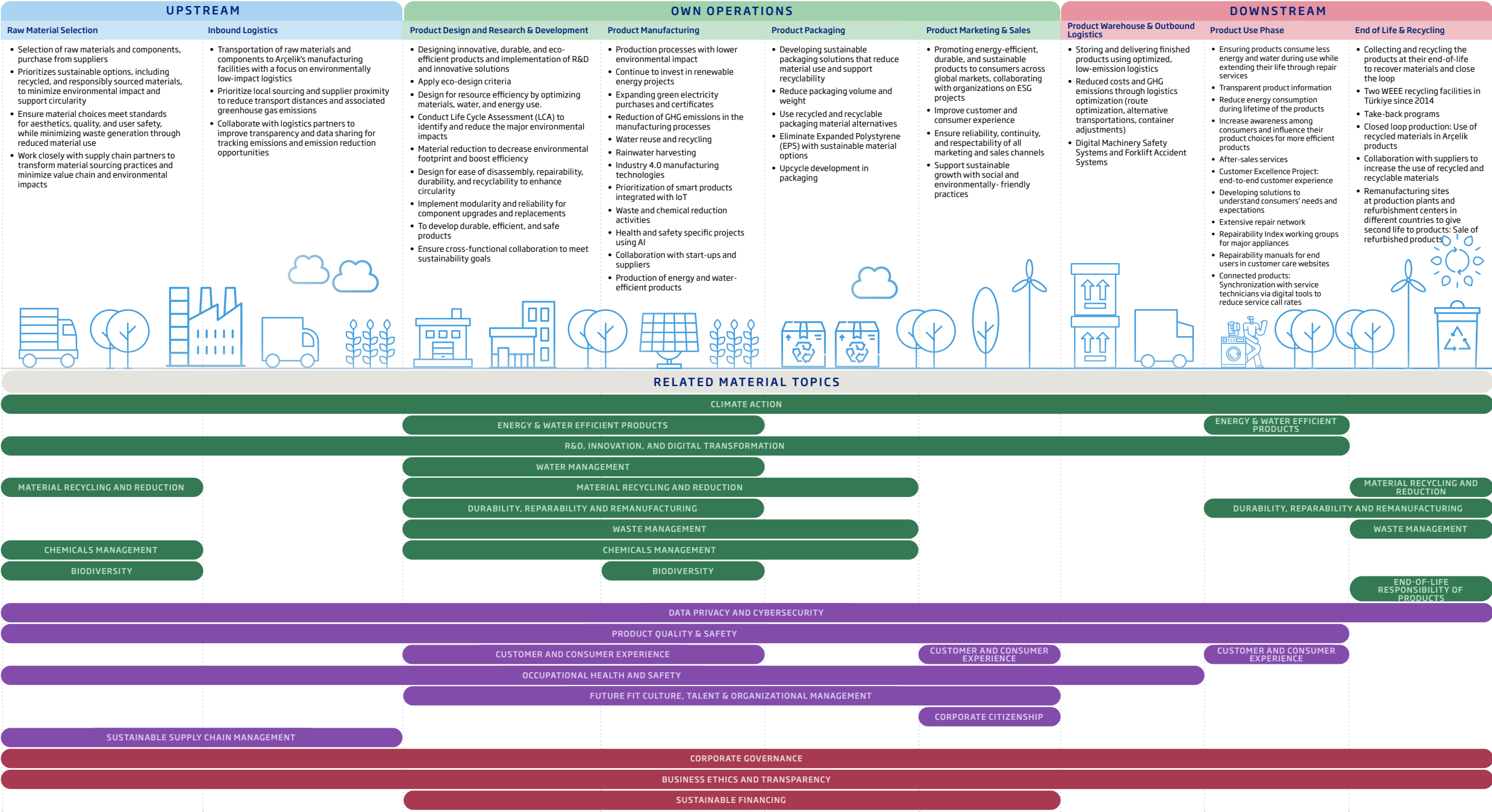
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We prioritize understanding and addressing the needs and expectations of our stakeholders, recognizing their critical role in our long-term success. To achieve this, we utilize various stakeholder engagement methods, including meetings, public disclosures, surveys and interviews, events, and platforms and trainings. These methods allow us to engage with and gain valuable insights from our stakeholders, helping us identify areas for improvement, such as developing more effective strategies for enhancing our products, production processes, supply chain activities, and community development initiatives.

Our stakeholder engagement processes serve as a structured framework that informs our strategic decisions and business model. Through continuous dialogue with internal and external stakeholders, we stay informed about their concerns, expectations, and priorities, ensuring our sustainability strategies align with their interests. This ongoing engagement helps us identify impacts, risks, and opportunities (IROs), which are discussed across relevant departments and business units. The insights gained are integral to our due diligence processes and double materiality assessment, supporting transparency and accountability.

To maintain transparency and accountability, we regularly communicate sustainability-related impacts, risks, and opportunities to the relevant decision-makers within our organization, ensuring timely action. The C-level executive management actively engages with stakeholders to understand their views and concerns related to the company’s sustainability impacts. Insights from this engagement are integrated into strategic processes, including the Double Materiality Analysis (DMA). The Board of Directors, which oversees and approves the DMA, is regularly informed about stakeholder perspectives through regular updates.

Our approach varies depending on the stakeholder group, utilizing a mix of channels to maintain ongoing direct and indirect regular engagement. By engaging with stakeholders in this way, we ensure our sustainability efforts address their diverse needs, uphold ethical business standards, and reflect the interdependencies within our value chain.





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STAKEHOLDERS

	STAKEHOLDER DEFINITION	PURPOSE OF ENGAGEMENT	HOW WE ENGAGE	TOPICS RAISED	HOW WE RESPOND AND ENGAGEMENT	ENGAGEMENT OUTCOME	RELATED MATERIAL ISSUES
EMPLOYEES	Company workforce, including office staff, factory workers, and management.	<ul style="list-style-type: none"><li>• Ensure employee well-being, engagement, and development</li><li>• Understand employee perceptions, challenges, and feedback</li><li>• Raise awareness of internal policies and changes</li><li>• Promote a sustainable workplace with a focus on physical and psychological well-being</li><li>• Enhance retention and attract top talent through decent working conditions, work-life balance, job security, and professional growth opportunities</li></ul>	<ul style="list-style-type: none"><li>• Ongoing communication between employees and managers</li><li>• Regular communication enhanced with C and D Level Business Strategy Townhalls</li><li>• Employee engagement through annual satisfaction surveys, various listening mechanisms including focus groups and pulse check surveys, and a suggestion system allowing employees to share ideas for improvement in line with company goals and strategies</li><li>• Support for social learning and communication platforms, trainings, workshops, and seminars to enhance employee development</li></ul>	<ul style="list-style-type: none"><li>• Purposeful and inclusive culture, company's strategy, and values, learning and development, respect for human rights and ethics, wellness, mindfulness, social and emotional support, fair labor practices, work-life balance, employee volunteering, diversity, equity and inclusion</li></ul>	<ul style="list-style-type: none"><li>• Developed online resources for health, nutrition, and psychological well-being, alongside training webinars and workshops on mindfulness, contributing to stress reduction and positive mindset cultivation</li><li>• Launched various training programs tailored to different employee groups for skill development and reskilling</li><li>• Implemented flexible work arrangements, including remote options to support a balanced work-life dynamic</li><li>• Strengthened ethical behavior fostered by our ethics hotline, cultivating a safe and inclusive workplace culture</li><li>• Implemented annual rewards and appreciation certificates with regular one-on-one discussions between employees and managers facilitating mentorship and improvement opportunities</li></ul>	<ul style="list-style-type: none"><li>• Improved workplace inclusivity and engagement</li><li>• Employee feedback influenced business operations and well-being initiatives</li><li>• Implementation of continuous improvement plans and new processes</li></ul>	<ul style="list-style-type: none"><li> Business Ethics and Transparency</li><li> Future Fit Culture, Talent &amp; Organizational Management</li><li> Occupational Health and Safety</li></ul>
SUPPLIERS	Businesses providing raw materials, components, and services within the supply chain.	<ul style="list-style-type: none"><li>• Ensure compliance with the Code of Conduct</li><li>• Promote responsible sourcing</li><li>• Protect human and labor rights while fostering a respectful work environment</li><li>• Support supply chain decarbonization initiatives</li><li>• Understand supplier needs and concerns</li><li>• Define clear expectations for quality, delivery speed, and responsible business conduct</li><li>• Enable long-term planning and collaboration with suppliers</li><li>• Share knowledge to enhance capabilities in resource-efficient claims handling</li></ul>	<ul style="list-style-type: none"><li>• Supplier engagement through surveys, meetings, audits, projects, and training under the Supplier ESG Program</li><li>• Regular communication through surveys, meetings, training sessions, and knowledge-sharing platforms</li></ul>	<ul style="list-style-type: none"><li>• Technical guidance and knowledge sharing around sustainability, quality, production processes, technology</li><li>• Enhanced engagement and encouragement initiatives including the development of joint improvement projects</li><li>• Ensured supply chain and supplier sustainability including business ethics, environmental protection, health &amp; safety, and human rights</li></ul>	<ul style="list-style-type: none"><li>• Engaged with suppliers meeting our requirements and committing to our Supplier Code of Conduct</li><li>• Implemented supplier capacity development frameworks to enhance supplier capabilities and establish long-term partnerships</li><li>• Encouraged commitment to environmental goals by sending a letter and publicly reporting progress offered and working together with suppliers to set targets</li></ul>	<ul style="list-style-type: none"><li>• Enhanced corrective action plans for suppliers and third parties</li><li>• Addressed concerns related to labor and human rights</li><li>• Strengthened long term supplier relationships and supply chain security</li></ul>	<ul style="list-style-type: none"><li> Climate Action</li><li> Business Ethics and Transparency</li><li> Future Fit Culture, Talent &amp; Organizational Management</li><li> Sustainable Supply Chain Management</li></ul>
B2B CUSTOMERS	Businesses that purchase products or services, including distributors and corporate clients.	<ul style="list-style-type: none"><li>• Understand customer needs and expectations</li><li>• Build trust through transparency</li><li>• Support customers in achieving sustainability targets</li></ul>	<ul style="list-style-type: none"><li>• Ongoing communication with B2B customers</li><li>• B2B customer engagement through training, seminars, annual meetings, face-to-face interviews, and our Digital Dealer Order Platform</li><li>• C and D level senior executive engagements to drive sustainability across organizations</li><li>• Customer questionnaires and surveys</li></ul>	<ul style="list-style-type: none"><li>• Collaboration to work on mutual projects and form sustainability partnerships</li><li>• Product training and offerings focusing on sustainable features including R&amp;D and innovation, high-quality and safety</li><li>• GHG emission reductions including net zero commitments, circular and renewable solutions, water management, and waste and plastic recycling</li><li>• Improvement in shipping and delivery services</li></ul>	<ul style="list-style-type: none"><li>• Provided mutual project formations to foster an omnichannel approach such as online sales order system to enhance customer experience</li><li>• Gathered valuable feedback and insights from our customers with regularly conducted satisfaction surveys</li><li>• Implemented training programs providing authorized dealers the necessary skills and knowledge to sell and promote our products effectively and enhancing competence development while focusing on promoting sustainable consumption and circularity</li></ul>	<ul style="list-style-type: none"><li>• Increased customer awareness and proactive issue resolution.</li><li>• Improved product and service improvements</li><li>• Strengthened adaptation of marketing strategies</li></ul>	<ul style="list-style-type: none"><li> Climate Action</li><li> Products Stewardship</li><li> Business Ethics and Transparency</li><li> R&amp;D, Innovation and Digital Transformation</li><li> Product Quality and Safety</li><li> Customer and Consumer Experience</li></ul>
CONSUMERS	Individuals using and interacting with our digital platforms, online services, and connected devices.	<ul style="list-style-type: none"><li>• Address concerns related to data privacy, targeted advertising, and product customization</li><li>• Enhance consumer experience and satisfaction, understand demand</li></ul>	<ul style="list-style-type: none"><li>• Ongoing communication with consumers</li><li>• Awareness created through advertising, surveys</li><li>• Customer Services and Customer Contact Center responding to customer inquiries</li></ul>	<ul style="list-style-type: none"><li>• Durable and high-quality products with extended warranty, a circular approach and improved quality</li><li>• Focus on R&amp;D and innovation and energy and water efficient products</li><li>• Sustainability features such as recycled content, sustainable packaging - Business ethics and transparency</li><li>• Information security and management of cyber risks</li></ul>	<ul style="list-style-type: none"><li>• Gathered consumer responses through phone calls, emails, social media, self-service, and call center</li><li>• Increased recycled content in our products, reducing plastic use, and incorporating features such as microplastics filtering and food preservation</li><li>• Continued focused on sustainable features in our products</li><li>• Gathering consumer insights through surveys and monitor our corporate and brand websites as well as social media channels to measure satisfaction with our products and services</li></ul>	<ul style="list-style-type: none"><li>• Gained customer insights to inform product development and strategic decisions</li></ul>	<ul style="list-style-type: none"><li> Climate Action</li><li> Product Stewardship</li><li> Business Ethics and Transparency</li><li> R&amp;D, Innovation and Digital Transformation</li><li> Product Quality and Safety</li><li> Customer and Consumer Experience</li></ul>
INVESTORS	Institutional and individual investors, shareholders, analysts, and rating agencies.	<ul style="list-style-type: none"><li>• Address investor concerns and expectations</li><li>• Build trust by demonstrating long-term value creation</li><li>• Discuss performance, risk management, and strategic direction</li><li>• Align with sustainable financing frameworks and responsible investment criteria</li></ul>	<ul style="list-style-type: none"><li>• Ongoing communication with investors</li><li>• Investor engagement through ESG conferences, one-on-one meetings, investor presentations, and quarterly earnings webcasts</li><li>• Regular updates through our annual and sustainability reports, annual meetings, public disclosure statements, and corporate website</li></ul>	<ul style="list-style-type: none"><li>• Transparent sustainability reporting, KPIs, and targets breakdown</li><li>• Sustainability reporting to global indices with solid leadership scores</li></ul>	<ul style="list-style-type: none"><li>• Achieved top-performing results to sustainability indices on a global scale</li><li>• Complied with Sustainability standards and regulations</li><li>• Published Annual Report, Integrated Report, Green Bond Allocation and Impact Report, Conflict Minerals Report</li><li>• Responded to investor questionnaires</li></ul>	<ul style="list-style-type: none"><li>• Aligned business strategy with investor views and feedback</li><li>• Implemented action plans to improve ESG performance</li><li>• Increased transparency and disclosures to ESG rating agencies</li><li>• Ensured strategic alignment with sustainable finance frameworks</li><li>• Enhanced better management of expectations for financial and non-financial targets</li><li>• Improved understanding of analyst and investor expectations</li></ul>	<ul style="list-style-type: none"><li> Corporate Governance</li><li> Climate Action</li><li> Product Stewardship</li><li> R&amp;D, Innovation and Digital Transformation</li><li> Business Ethics and Transparency</li><li> Future Fit Culture, Talent &amp; Organizational Management</li><li> Employee Health and Safety</li><li> Sustainable Supply Chain Management</li></ul>
GLOBAL PARTNERSHIPS AND NGOS	Non-governmental organizations, industry alliances, regulatory bodies, and sustainability-focused partners.	<ul style="list-style-type: none"><li>• Exchange information and collaborate on shared sustainability goals</li><li>• Ensure compliance with regulatory frameworks and standards</li><li>• Support renewable energy expansion and climate transition efforts</li><li>• Contribute to local initiatives and address public concerns transparently</li><li>• Understand local operating license requirements and community expectations</li><li>• Address supply chain challenges, including decarbonization and human rights issues</li></ul>	<ul style="list-style-type: none"><li>• Ongoing communication with our global partners and NGOs</li><li>• Frequent meetings, and participation in working groups, global events, panels, and speaking opportunities</li><li>• Collaboration on global collective campaigns and joint CSR programs and projects enhancing sustainability developments</li></ul>	<ul style="list-style-type: none"><li>• Commitment for climate action and energy efficiency of our products to reduce global GHG emissions, promote business innovation, and ensure consumer access to affordable and high-performing technologies</li><li>• Discussions for policy setting and public consultations, sustainability, biodiversity, circularity and recycling, human rights, and climate change</li><li>• Regular reporting of activities and improving sustainability reporting performance and transparency</li></ul>	<ul style="list-style-type: none"><li>• Maintained policy determining the procedures for new membership requests and providing a framework to engage with the public institutions, non-governmental organizations, and sectoral institutions on sectoral relations purposes</li><li>• Published Integrated Report</li><li>• Enhanced commitments for sustainability, waste and water management, biodiversity, and human rights</li><li>• For further information, please refer to our <a href="#">Global Sectoral Relations Management &amp; NGO Membership Policy</a></li></ul>	<ul style="list-style-type: none"><li>• Gathered NGO feedback informing project planning and business decisions</li><li>• Enhanced operational adjustments ensure compliance with regulatory requirements</li></ul>	<ul style="list-style-type: none"><li> Climate Action</li><li> Waste Management</li><li> Water Management</li><li> Product Stewardship</li><li> Corporate Citizenship</li><li> Business Ethics and Transparency</li><li> Future Fit Culture, Talent &amp; Organizational Management</li><li> R&amp;D, Innovation and Digital Transformation</li></ul>



Double Materiality  
Assessment (DMA) Matrix

Our materiality matrix offers a comprehensive summary of the key topics identified through the DMA. Please note that topics identified as “non-material” do not signify they are not important to our business, they only have a less significant environmental and social impact and financial impact on our company.



Material Topic Definitions and ESRS Topics Mapping

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Topic		Topic Definition	Linked ESRS Topic
Energy and Water Efficient Products		Reducing the energy and water consumption of products during their use phase by the end user, while also focusing on energy efficiency across the full lifecycle, including product design and materials used.	ESRS E1 Climate Change
Product Quality and Safety		Ensuring the products are non-harmful for user health and safety in line with international product safety standards, while maintaining high quality standards in terms of durability, performance, and safety features.	ESRS S4 Consumers and end-users
Climate Action		Conducting operations in harmony with the Company's environmental management plan, including its decarbonization and net zero roadmap, in order to tackle climate change (predominantly through the reduction of greenhouse gases); increasing and spreading renewable energy use, and mitigating the environmental impacts of the Company's operations and products.	ESRS E1 Climate Change
R&D, Innovation, and Digital Transformation		Developing innovative service solutions and smart products by using tools such as Big Data analysis, machine learning, AI, IoT; establishing strategic partnerships focusing on innovation, developing and/or adopting digital solutions that provide operational efficiency, and integrating sustainability into product development processes.	ESRS E1 Climate Change
Data Privacy and Cybersecurity		Safeguarding customers', employees', and business partners' data by ensuring compliance with privacy laws and implementing robust cybersecurity measures. This includes enhancing resilience against cyber-attacks, data breaches, and other technological malfunctions.	ESRS S4 Consumers and end-users
Customer and Consumer Experience		Meeting and going beyond user expectations in terms of user experience including user-friendliness, product performance, and quality. This also involves addressing consumer rights and privacy concerns.	ESRS S4 Consumers and end-users
Water Management		Minimizing the water consumption during production, effective management of wastewater, and identifying water-related risks at locations where the Company and major suppliers operate.	ESRS E3 Water and marine resources
Occupational Health and Safety		Ensuring the physical and mental health of employees and value chain workers is protected at work. This involves safe working conditions, reducing occupational health risks, and complying with relevant health and safety regulations.	ESRS S1 Own workforce ESRS S2 Workers in the value chain
Sustainable Supply Chain Management		Promoting sustainability practices among suppliers; helping suppliers with their environmental, social and ethical performance improvements; proactively managing the ESG risks and opportunities for transformation throughout the supply chain.	ESRS S2 Workers in the value chain ESRS G1 Business conduct
Future Fit Culture, Talent & Organizational Management		Ensuring the corporate culture and practices are in line with trends of the future; promoting diversity, equity and inclusion (DEI); attracting and retaining talent; effective employee engagement and employee well-being practices to support a resilient and future-ready workforce.	ESRS S1 Own workforce ESRS S2 Workers in the value chain

Topic		Topic Definition	Linked ESRS Topic
Material Recycling and Reduction		Reducing material consumption, increasing the use of recyclable, recycled, and biodegradable content within products and packages in line with life cycle assessment processes.	ESRS E5 Circular economy
Durability, Reparability and Remanufacturing		Extending products' lifespan and making them easily repairable through developed solutions; reprocessing products used for a certain period by the customer that have cosmetic defects, that were displayed in dealer stores or were damaged in logistic processes.	ESRS E5 Circular economy
Sustainable Financing		Using alternative financing tools such as green and/or sustainable bonds, loans in order to support the Company's sustainability strategy and enhance profitability.	ESRS G1 Business conduct
Corporate Governance		Enhancing the effectiveness of the Board and its committees, improving risk management, and integrating ESG risks into business and well-designed sustainability governance.	ESRS G1 Business conduct
End of Life Responsibility of Products		Designing products under circularity principles, allowing content recycling and managing Waste Electrical and Electronic Equipment (WEEE) process for the end-of-life stage of products.	ESRS E5 Circular economy
Business Ethics and Transparency		Managing relationships with all stakeholders within ethical principles, ensuring the Company's corporate values are upheld, and acting transparently.	ESRS S1 Own workforce ESRS S2 Workers in the value chain ESRS G1 Business conduct
Corporate Citizenship		Addressing social issues on both a local and global scale through community programs, philanthropy, volunteerism, and responsible marketing. Acting with corporate social responsibility (CSR) principles to support resilient societies and ensuring that products and services contribute positively to communities' well-being.	ESRS S3 Affected communities
Chemicals Management		Safeguarding the environment, employees' and consumers' health and safety by managing chemicals used in products and production processes. This includes ensuring compliance with relevant chemical regulations and minimizing the environmental impact of chemicals.	ESRS E2 Pollution
Waste Management		Minimizing waste during production and operational processes and managing produced waste effectively.	ESRS E2 Pollution ESRS E5 Circular economy
Biodiversity		Protecting habitats, species, and ecosystems, combating deforestation, and supporting reforestation efforts.	ESRS E4 Biodiversity and ecosystems

Material Impacts, Risks and Opportunities (IROs)

In the following table, we present the impacts, risks, and opportunities (IROs) identified as material in our Double Materiality Assessment (DMA). These IROs have been assessed at either the double, impact, or financial materiality level. The table includes brief descriptions of each material IRO, along with an indication of whether they relate to our own operations or our value chain, including upstream and downstream activities. For impacts, we also specify whether they are positive or negative.

Our DMA considers inherent IROs while also accounting for measures that have been fully integrated into our governance, management, and daily operations to reduce or mitigate their effects. Each IRO identified through the DMA, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and related methodologies established by the European Financial Reporting Advisory Group (EFRAG), and other relevant guidance, has been described in terms of how it specifically manifests for our company.

Material sustainability matters are considered when overseeing corporate strategy, and going forward, the IROs identified through our DMA play a greater role in informing decision-making. The material issues that are identified and prioritized in the Double Materiality Matrix are integrated into overall risks, potential business impacts, targets, and metrics of the Company, in order to form the Company’s sustainability strategy by incorporating these issues at its core. This ensures that material IROs are consistently integrated into strategic choices, from sourcing and development to construction, operations, and project decommissioning. These IROs are evaluated within the Company’s overall Enterprise Risk Management (ERM) system by carrying them to the Early Detection of Risk Committee, reporting them to the Board of Directors.





Material Impacts, Risks and Opportunities (IROs)

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					Time Horizon			Value Chain		
Our Material Topic	Linked ESRS Topic	Materiality Outcome	IRO type	Description	Short-Term	Medium-Term	Long-Term	Upstream	Own operations	Downstream
 Climate Action	E1 Climate Change	Double Material	Financial Risk	Under the EU Carbon Border Adjustment Mechanism (CBAM) published in 2023, there will be additional financial costs calculated over the embedded emissions of the steel and aluminum imported by our operations in Europe. This poses a risk to increase our costs in production. For further details on the calculation of this climate-related risk, please refer to Climate-related Risks and Opportunities section of this Report.	■			■		
			Financial Risk	Increasing decarbonization efforts accelerate the adoption of carbon pricing mechanisms such as emission trading systems (ETS). If we become subject to such mechanisms, the additional cost incurred might pose a risk to our cost-competitiveness. For further details on the calculation of this climate-related risk, please refer to the Climate-related Risks and Opportunities section of this Report.		■			■	
			Financial Opportunity	We heavily invest in renewable energy to make savings from the cost paid to grid, have reduction from green electricity certificate cost and reduce carbon tax risk. For further details on the calculation of this climate-related opportunity, please refer to the Climate-related Risks and Opportunities section of this Report.		■			■	
 Energy and Water Efficient Products	E1 Climate Change	Double Material	Potential Positive Impact	Investments in energy and water-efficient products, despite increasing upfront R&D costs, strengthen our alignment with science-based targets (SBTs) and sustainability commitments. These products not only reduce environmental impact across their lifecycle but also enhance long-term brand value, customer preference, and regulatory readiness. As consumer demand grows for energy and water-efficient products, this drives competitive advantage and market differentiation.		■				■
			Financial Risk	Meeting the science-based targets (SBTs) requires significant R&D investment to produce resource-efficient products, as approximately 80% of Scope 3 emissions stem from energy consumption during the use phase of products sold. The increase in product costs resulting from R&D investments required to meet the SBTs may reduce profit margins, impact pricing flexibility, and harm the company's competitive position in the market, potentially leading to a loss of market share and long-term profitability challenges. For further details on the calculation of this risk, please refer to the Climate-related Risks and Opportunities section of this Report.		■				■
			Financial Opportunity	As consumer demand for energy-efficient products grows, revenue generated from energy- and water-efficient products contributes to business growth while supporting our SBTi-aligned decarbonization targets. While these innovations require upfront investment, their alignment with decarbonization targets enables access to green financing mechanisms, enabling continued investment in innovation while potentially lowering our cost of capital. For further details on the calculation of this opportunity, please refer to the Climate-related Risks and Opportunities section of this Report.	■	■				■



Material Impacts, Risks and Opportunities (IROs)



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					Time Horizon			Value Chain		
Our Material Topic	Linked ESRS Topic	Materiality Outcome	IRO type	Description	Short-Term	Medium-Term	Long-Term	Upstream	Own operations	Downstream
 <div>R&amp;D, Innovation and Digital Transformation</div>	E1 Climate Change	Double Material	Potential Positive Impact	Advancements in digital transformation, R&D, and innovation allow the Company to develop smart, connected products and services that enhance operational efficiency and sustainability performance. By leveraging technologies such as AI, machine learning, IoT, and Big Data analytics across production processes, the Company achieves greater energy and resource efficiency. Additionally, increased use of bundled smart products enables better measurement and guidance of consumer behavior, driving more sustainable consumption patterns. Proactively adopting digital solutions also ensures compliance with evolving data, cybersecurity, and digital sustainability regulations, helping to avoid future compliance costs and reputational risks.	■	■	■	■	■	■
			Financial Risk	The Company's significant investments in R&D and digital transformation aim to develop smart, sustainable products using technologies such as AI and IoT. However, delays or disruptions can lead to high upfront costs, uncertain returns, and increased operational expenses. This may lead to missed market opportunities, financial losses, and harm the company's competitiveness.	■	■	■		■	■
 <div>Water Management</div>	E3 Water and marine resources	Impact Material	Potential Positive Impact	The Company works towards investing to increase water recycling and reuse, and to reduce water withdrawal at its own factories to reduce impacts on the basins. Additionally, we also strive to improve the technical capability of our major suppliers about their potential impacts through requesting water related data and setting relevant targets and having relevant online training on our platform.	■	■		■	■	
			Financial Risk	Given that water risk is expected to worsen with the physical impacts of climate change, it may lead to business disruptions. We actively work to identify high-risk basins for our production. For further details on the calculation of this water-related risk, please refer to the Climate-related Risks and Opportunities section of this report. Additionally, we collect water-related data from our major suppliers and analyze whether they are located in high-risk basins or in basins that are expected to worsen with rising global temperatures.		■		■	■	
			Financial Opportunity	Implementing water efficiency and recycling and reuse projects to reduce water usage helps mitigate water-related risks, decrease the Company's own operational costs, and lessen dependence on water availability in relevant basins. For further details on the calculation of this water-related opportunity, please refer to the Climate-related Risks and Opportunities section of this Report.		■			■	

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Our Material Topic	Linked ESRS Topic	Materiality Outcome	IRO type	Description	Short-Term	Medium-Term	Long-Term	Upstream	Own operations	Downstream
 Material Recycling & Reduction	E5 Circular Economy	Impact Material	Potential Positive Impact	We use recycled plastic in our products and packaging to reduce environmental impact, lower carbon emissions, minimize plastic waste, and support a circular economy while maintaining high-quality and durable appliances.	■	■	■	■		■
			Financial Risk	EPR regulations in the UK pose financial risks to the Company primarily by increasing operational costs, while the EPS-free regulation in Australia, effective from 2025, adds further pressure by requiring investments in sustainable materials increasing the costs, and potentially leading to penalties and even loss of sales if regulatory standards are not met. Additionally, plastic packaging taxes in both the UK and Spain, which are already in force, escalate packaging-related expenses.	■	■	■			■
 Durability, Reparability and Remanufacturing	E5 Circular Economy	Impact Material	Potential Positive Impact	Remanufacturing operations of the Company in TR, UK, Italy and Romania create a positive impact by extending product life cycles, reducing waste, conserving natural resources, and lowering carbon emissions, benefiting both the Company through cost savings and regulatory compliance, and the world by promoting a more sustainable and circular economy.	■	■	■	■		■
 End-of-Life Responsibility of Products	E5 Circular Economy	Financial Material	Potential Positive Impact	The Company's take-back initiatives support compliance with Extended Producer Responsibility obligations while also creating positive environmental impact by increasing the collection and proper recycling of end-of-life products.as well as replacing old products with new, energy and water efficient versions.	■	■				■
			Financial Risk	Under Extended Producer Responsibility, the Company is responsible for the proper collection and treatment of end-of-life products; however, financial risks may arise from the potential failure to meet WEEE targets due to factors such as inadequate collection infrastructure and consumer behavior.						
 Occupational Health and Safety	S1 Own workforce S2 Workers in the value chain	Impact Material	Potential Positive Impact	A range of proactive health and safety measures can help a company enhance working conditions and boost productivity. We leverage technology and digitalization, alongside audits, risk assessments, and training programs, to create the safest possible workplace.	■	■		■	■	
 Future Fit Culture, Talent & Organizational Management	S1 Own workforce S2 Workers in the value chain	Impact Material	Potential Positive Impact	Embracing diversity and inclusion across the value chain fosters innovation, enhances stakeholder engagement, and drives sustainable growth by leveraging diverse perspectives and creating an inclusive work environment. Given the Company's significant presence in multiple countries, embedding our diversity and inclusion approach into our business practices allows us to unlock individual potential and can enhance engagement.	■	■	■	■	■	■





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					Time Horizon			Value Chain		
Our Material Topic	Linked ESRS Topic	Materiality Outcome	IRO type	Description	Short-Term	Medium-Term	Long-Term	Upstream	Own operations	Downstream
 Business Ethics and Transparency	S1 Own workforce S2 Workers in the value chain G1 Business conduct	Financial Material	Financial Risk	Honesty, integrity, and superior business ethics are the foundations of our business conduct. We conduct our business based on good intentions, mutual benefit, and fair treatment in all our relationships. We are committed to conforming at all times to the highest ethical and legal standards. We conduct our operations in accordance with laws and regulations, with honesty and respect for human rights. All our employees and Business Partners are expected to adopt these rules, and act in line with them. Our leaders are responsible for setting examples with their attitudes by leading our employees and making business decisions in accordance with the Global Code of Conduct and Related Policies.	■	■	■	■	■	■
 Sustainable Supply Chain Management	S2 Workers in the value chain G1 Business conduct	Impact Material	Potential Positive Impact	Our business practices adopt a holistic approach, considering country-specific, sector-specific, and commodity-specific risks, as well as supplier dependency and potential ESG risks. Suppliers undergo business ethics audits and ESG assessments, with corrective actions implemented when necessary. A confidential ethics hotline is available for reporting violations. These measures help safeguard workers’ rights, promote ethical behavior, and foster trust. As part of our survey process, we collect ESG data from suppliers, focusing on emissions, waste, and water. In line with our policies, we expect suppliers to set measurable targets and demonstrate progress. High-performing suppliers who meet the required criteria become eligible for a customized early payment program. Through these initiatives, we observe stronger supplier engagement and greater alignment with our sustainability goals across the value chain.	■	■	■	■	■	
			Financial Risk	Unethical business conduct and labor rights violations in the value chain can result in significant financial risks, including legal penalties and reputational damage. To mitigate these risks, we enforce strict compliance with ethical standards and promote fair working conditions across our supply chain. Our due diligence processes help ensure accountability, protecting both workers’ rights and our business from financial setbacks.	■	■		■	■	
 Data Privacy and Cybersecurity	S4 Consumers and end-users	Double Material	Financial Risk	The growing demand for connected appliances and digitalization trends exposes the Company to financial risks, including the need of significant infrastructure costs for data storage and compliance with regional regulations. Fragmented data privacy rules and potential data localization requirements may disrupt data flow, increasing costs and jeopardizing competitiveness. Additionally, delays in adopting cybersecurity measures and connected device technologies could result in higher operational expenses and negatively impact profitability.	■	■	■		■	■
			Financial Opportunity/ Potential Positive Impact	The Company is positioning itself to capitalize on digitalization by adhering to IoT security standards and regional regulations, building consumer trust, and expanding market share. Securing certifications for connected products and enhancing cybersecurity measures strengthens resilience, mitigates risks, and solidifies leadership in the smart appliance industry. This approach drives sales, ensures compliance, and positions the company ahead of regulatory changes, creating a competitive advantage and supporting long-term profitability.	■	■	■		■	■



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					Time Horizon			Value Chain		
Our Material Topic	Linked ESRS Topic	Materiality Outcome	IRO type	Description	Short-Term	Medium-Term	Long-Term	Upstream	Own operations	Downstream
 Product Quality and Safety	S4 Consumers and end-users	Double Material	Financial Risk	The Company prioritizes product safety across all processes, adhering to international and regional regulations, standards, and its own Product Safety Design Criteria, while actively contributing to global safety standardization efforts. Any disruptions in this system may delay the identification of failure, lead to regulatory non-compliance, harm the company's reputation, and result in financial losses, posing a significant risk to product safety and quality.	■	■	■	■	■	■
			Potential Negative Impact	Product quality and safety directly affect consumer health, well-being, and trust, with risks varying by region, product category, and local regulations; mitigating these risks requires strong quality control systems, continuous monitoring, and sustained investment in compliance and safety standards.	■	■	■			■
 Customer and Consumer Experience	S4 Consumers and end-users	Impact Material	Potential Positive Impact	We enhance the customer and consumer experience by delivering high-quality, innovative home appliances with reliable performance, user-friendly features, and excellent after-sales support, fostering trust and long-term brand loyalty.	■	■	■			■
 Corporate Governance	G1 Business conduct	Financial Material	Financial Risk	Efforts to enhance corporate governance and integrate ESG risks may face challenges, leading to increased compliance costs and potential reputational damage. Delays or inefficiencies in aligning with evolving regulations could result in missed investment opportunities, reduce investor confidence, limit access to capital, and negative financial impacts due to non-compliance or poor ESG performance.	■	■	■		■	■
 Sustainable Financing	G1 Business conduct	Financial Material	Financial Opportunity	The green financing instruments provided to the Company demonstrates investor and financing institutions' confidence in its ability to execute its green transformation strategy, enabling access to better financing conditions with a reduced interest rate compared to conventional financing instruments. For further details on the calculation of this opportunity, please refer to the Climate-related Risks and Opportunities section of this Report.	■			■	■	■

➤ For further details regarding sustainability related risks and opportunities, climate related financial risks, double materiality assessment methodology and processes, please refer to our [2024 Integrated Report](#).

The company follows specific reporting standards that establish a holistic and standardized approach to integrating sustainability into governance, strategy, and operations. The Sustainability Statement has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) to ensure transparency, consistency, and comparability across industries. Covering the period 1 January 2024 – 31 December 2024, it aligns with the European Financial Reporting Advisory Group (EFRAG) requirements, providing a structured framework for reporting on environmental, social, and governance (ESG) matters.

➤ For further details, please refer to our [2024 Integrated Report](#).





# STRATEGIC APPROACH TO SUSTAINABILITY

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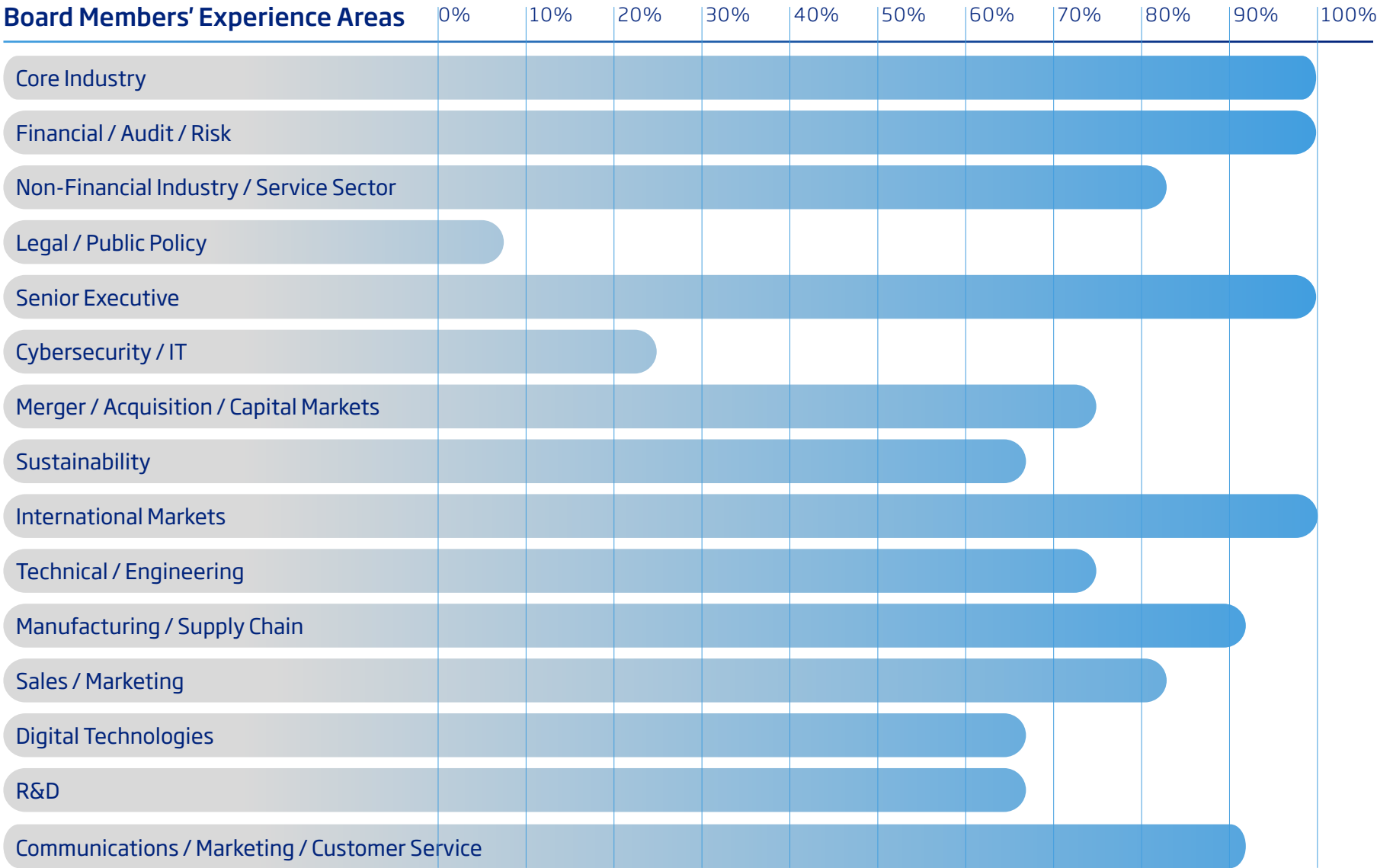
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The Board of Directors’ Experience

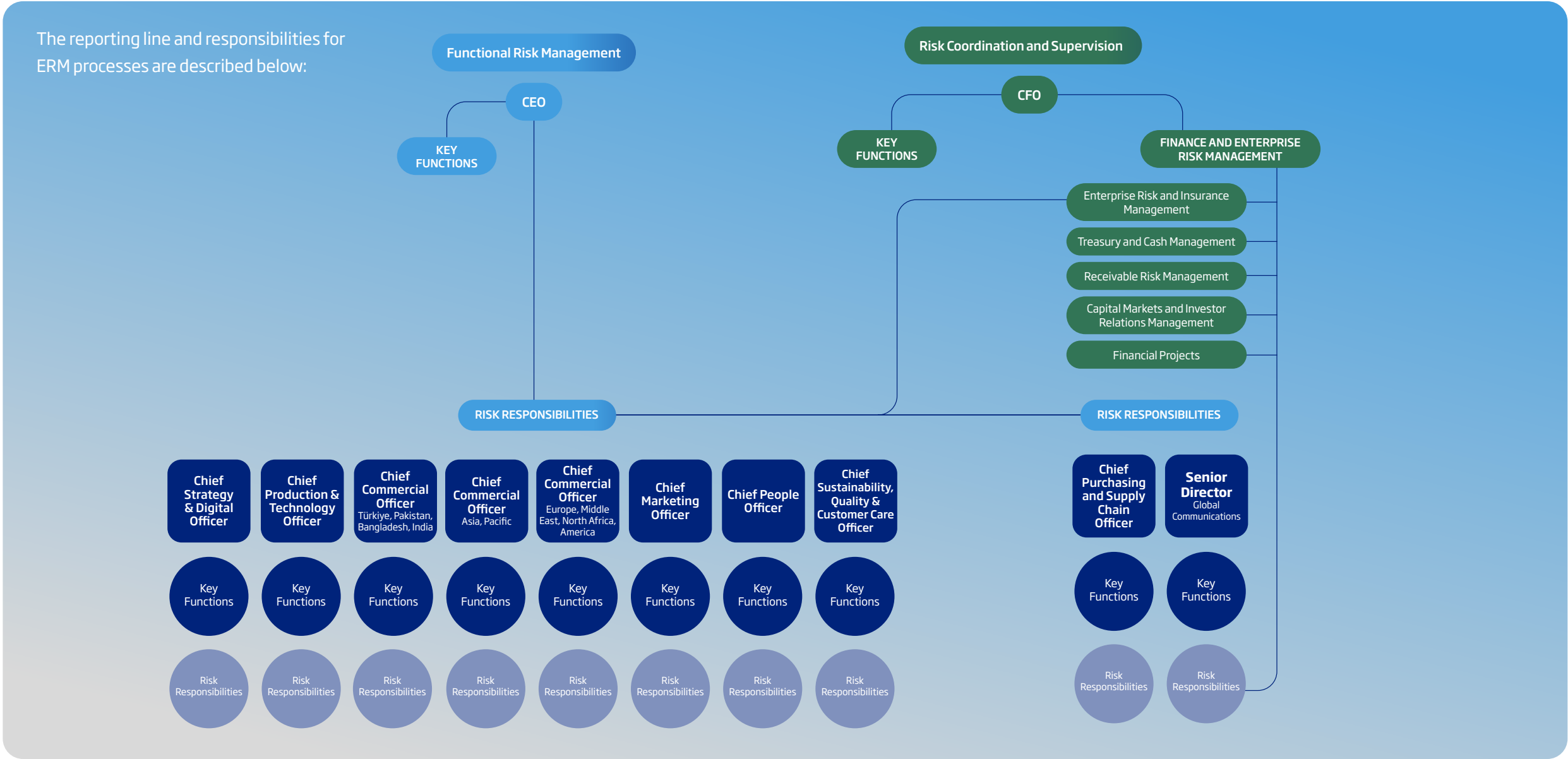


The Board of Directors’  
Diversity

A 25% gender  
distribution

With the newly elected BoD members in 2024, we achieved this target with having three women within the total of 12 BoD members.

Enterprise Risk Management





Enterprise Risk Management Matrix

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Product Quality and Safety



Climate Action



Energy and Water Efficient Products



Sustainable Financing



Corporate Governance



Future Fit Culture, Talent and Organizational Management



Sustainable Supply Chain Management



R&D, Innovation, Digital Transformation and Smart Solutions



Material Recycling and Reduction



Occupational Health and Safety



Business Ethics and Transparency



End of Life Responsibility of Products



Durability, Reparability and Refurbishment



Data Privacy and Cybersecurity



Water Management



Chemicals Management



Waste Management



Biodiversity



Customer and Consumer Experience



Corporate Citizenship



Climate-related risks

Sustainability Governance

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Sustainability and Climate-Related OKRs of C-Level Executives													
Material Topic		Related Key Performance Indicators in Key Results (KRs)	CEO	Chief Financial Officer	Chief Sustainability, Quality, & Customer Care Officer	Chief Production & Technology Officer	Chief Marketing Officer	Chief Strategy & Digital Officer	Chief People Officer	Chief Commercial Officer - Türkiye and South Asia	Chief Commercial Officer - Europe	Chief Commercial Officer - Asia Pacific	Chief Purchasing and Supply Chain Officer
	Climate Action	Reduction of Scope 1-2 GHG emissions	X	X	X	X						X	
	Water Management	Reduction of water consumption	X	X	X	X							
	Waste Management	Waste Reduction	X	X	X								
	Product Quality & Safety	Product Quality	X	X	X	X				X		X	
	Energy & Water-Efficient Products	Reduction of Scope 3 use-phase emissions	X	X	X	X	X						
	Occupational Health and Safety	Occupational Health and Safety in the working environment				X			X	X			X
	Sustainable Supply Chain Management	Sustainability integration in the supply chain	X	X	X	X							X
	Material Recycling and Reduction	Use of recycled materials in products	X	X	X	X							X
		Use of recycled materials in packaging	X	X	X	X							X
	Sustainable Financing	Green financing	X	X	X								
		Sustainable finance reporting	X	X									
	Corporate Governance	Sustainability reporting regulatory compliance, Digitalization, Index rankings	X	X	X	X	X	X	X				X
	Future Fit Culture, Talent & Organizational Management	Human rights			X				X	X			X
		Diversity, Equity, and Inclusion Transformation	X	X	X	X			X	X	X	X	X
		People Experience, Employee engagement & Talent Development	X	X	X	X	X	X	X	X	X	X	X



Our commitment to advancing the UN Sustainable Development Goals (SDGs) is deeply ingrained within our corporate values and business model. We recognize the pivotal role of addressing contemporary challenges in line with our materiality issues, sustainability strategy, and strategic targets to drive meaningful societal and environmental progress.

Process for Establishing SDG Priorities

We believe that sustainable development is a collective responsibility requiring active participation from all stakeholders. To ensure that we are addressing the most critical sustainability issues, we closely work with our stakeholders to identify key materiality issues which help us define our strategic priorities. This, in turn, allows us to determine our SDG priorities and shape our short-medium and long-term goals accordingly. Based on these goals and objectives, we develop and implement projects and initiatives that aim to contribute to the SDGs.

The following diagram shows our prioritized SDGs which are linked to our strategic priorities and have the most significant direct impact on our Company's core business.

OUR STRATEGIC PRIORITIES CONTRIBUTING TO SDGs

Transition to Net Zero:  SDG 7, SDG 9, SDG 12, SDG 13, SDG 14	Digital Transformation & Innovation:  SDG 9, SDG 12, SDG 17	Circular Economy:  SDG 9, SDG 12, SDG 13, SDG 14, SDG 17	Water Management:  SDG 6, SDG 14, SDG 17	Creating Value in the Supply Chain:  SDG 3, SDG 12, SDG 13, SDG 17
Supporting Local Communities:  SDG 3, SDG 12, SDG 17	Gender Equality & Diversity:  SDG 4, SDG 5, SDG 8, SDG 10, SDG 17	Future Fit Culture, Talent & Organizational Management: SDG 3, SDG 4, SDG 5, SDG 8, SDG 17	Ensuring Healthy Lives & Well-Being for People:  SDG 3, SDG 8	Quality, Safety & Customer Management:  SDG 3, SDG 9, SDG 12, SDG 13

Arçelik supports all UN SDGs with its sustainability approach embedded into all its operations. However, based on the results of the table where we aligned our strategic priorities with the SDGs, we can see that 12 SDGs stand out since Arçelik directly contributes to them: 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 17.



According to the impact we create, we classified these SDGs as follows:

1- Arçelik has a strong positive impact the following four SDGs: 9,12,13,17

2- Arçelik has a positive impact on the following five SDGs: 3, 4, 5, 8, 14

3- Arçelik actively supports the following three SDGs: 6, 7, 10

Arçelik has determined short and long-term SMART (Specific, Measurable, Achievable, Relevant, Time-bound) sustainability targets in line with these strategic areas.

For further information on these targets, their contribution to the SDGs, and the Company's annual progress toward these targets, please refer to the Sustainability Targets section of the 2024 Integrated Report.

In the following sections of the Report, the Company's contribution to the SDGs is detailed through related activities and projects.

For further information, please refer to Annex 15. SDG Index of the 2024 Integrated Report.

As our Company expands its operations and reviews its strategy, our sustainability targets have been revised. These targets align with our long-term vision and commitment to creating value for our stakeholders in line with Sustainable Development Goals (SDGs).

➤ For details on our progress toward previously set targets, please see Annex 5. Sustainability Targets and Progress of the 2024 Integrated Report.

Our Science Based Targets	Target Year <sup>1</sup>		Base Year <sup>2</sup>	Base Year Data	2023 Progress	2024 Progress	Target Status	Target Completion Rate <sup>2</sup>	Related Capitals	Related Material Issues	Contributions to SDGs
	2030	2050									
Reduce absolute Scope 1-2 GHG emissions approved by the SBTi	42%	90%	2022	175,448 tCO <sub>2</sub> e	4% reduction	3% reduction	In Progress	7%	NC, MC, FC	Climate Action	SDG 7, 9, 12, 13 FF related target
Reduce absolute Scope 3 GHG emissions from use of sold products approved by the SBTi	42%	-	2022	25,821,408 tCO <sub>2</sub> e	6% increase	5% increase	In Progress	-12%	NC, MC, FC	Climate Action Energy and Water Efficient Products	SDG 7, 9, 12, 13 FF related target
Reduce absolute Scope 3 GHG emissions approved by the SBTi	-	90%	2022	31,577,139 tCO <sub>2</sub> e	2% increase	9% increase	In Progress	-10%	NC, MC, FC	Climate Action Energy and Water Efficient Products	SDG 7, 9, 12, 13 FF related target

Our 2030 - 2040 Targets	Target Year <sup>1</sup>		Base Year <sup>3</sup>	Base Year Data	Target Status	Related Capitals	Related Material Issues	Contributions to SDGs
	2030	2040						
Green electricity usage ratio in all manufacturing facilities	100%	100%	2024	60.5%	Newly set	NC, MC, FC	Climate Action	SDG 7, 9, 12, 13
Establish renewable energy systems with a capacity	100 MW <sub>p</sub>	110 MW <sub>p</sub>	2024	90.2 MW <sub>p</sub>	Newly set	NC, MC, FC	Climate Action	SDG 7, 9, 12, 13
Reduce energy consumption per product in all manufacturing facilities <sup>4</sup>	15%	30%	2024	0.00293 TOE/product	Newly set	NC, MC, FC	Climate Action	SDG 7, 9, 12, 13
Reduce water withdrawal per product in all manufacturing facilities <sup>4</sup>	10%	25%	2024	0.08713 m³/product	Newly set	NC, MC, FC	Water Management	SDG 6, 9, 12 FF related target
Reduce water discharge per product in all manufacturing facilities <sup>4</sup>	10%	25%	2024	0.07445 m³/product	Newly set	NC, MC, FC	Water Management	SDG 6, 9, 12 FF related target
Increase water recycling and reuse ratio in all manufacturing facilities	25%	35%	2024	8%	Newly set	NC, MC, FC	Water Management	SDG 6, 9, 12 FF related target
Increase waste recycling ratio in all manufacturing facilities <sup>5</sup>	99%	99%	2024	98.5%	Newly set	NC, MC, FC	Waste Management	SDG 9, 12
Increase refurbishment ratio in our Refurbishment Centers <sup>6</sup>	85%	90%	2024	81%	Newly set	NC, MC, FC	Durability, Repairability and Remanufacturing	SDG 9, 12
Arçelik Green Chemistry Management System implementation in all manufacturing facilities	80%	100%	2024	55%	Newly set	NC, MC, FC	Chemical Management	SDG 12
Increase recycled plastic usage in our manufacturing facilities <sup>7</sup>	40%	50%	2024	18%	Newly set	NC, MC, FC	Material Recycling and Reduction	SDG 9, 12, 14

Our 2050 Targets	Related Capitals	Related Material Issues	Contributions to SDGs
Strive to achieve no net loss of biodiversity through proactive conservation efforts	NC, MC, FC	Biodiversity	SDG 12
No gross deforestation from our operations' activities by -Commit to using only sustainably sourced paper, cardboard, and wooden packaging certified by FSC or PEFC for our products -Using recycled cardboard outer boxes for our own product boxes -Decreasing wooden plate consumption for our own product packaging -Monitor the supply chain to encourage no deforestation -Having enabled the suppliers to switched to recycled cardboard outer boxes of their products	NC, MC, FC	Sustainable Supply Chain Management Biodiversity	SDG 12

<sup>1</sup> Target year dates signify “by the end of” the year determined

<sup>2</sup> The target completion rates for Scope 1-2 and Scope 3 GHG emissions from the use of sold products were calculated based on the 2030 targets, while the target completion rate for Scope 3 GHG emissions was calculated based on the 2050 target.

<sup>3</sup> Since Beko Europe has been added to the scope, the base year has been adjusted as 2024 for all targets excluding emission reduction target. This target's scope will be expanded after a new submission is made to the SBTi to be approved.

<sup>4</sup> The target's base year was calculated using Beko Europe's full-year data, although third-party assurance by EY covered only the April–December period due to the merger timing.

<sup>5</sup> Domestic waste is excluded.

<sup>6</sup> The scope of the target includes the centers in the UK, Italy and Romania.

<sup>7</sup> The scope of the target excludes refrigerator manufacturing facilities due to the limited possibility of use in food contact parts.

FF: Forward Faster

NC: Natural Capital, MC: Manufactured Capital, FC: Financial Capital, IC: Intellectual Capital, HC: Human Capital, SC: Social Capital



As our Company expands its operations and reviews its strategy, our sustainability targets have been revised. These targets align with our long-term vision and commitment to creating value for our stakeholders in line with Sustainable Development Goals (SDGs).

Targets	Target Year <sup>1</sup>		Base Year <sup>2</sup>	Base Year Data	Target Status	Related Capitals	Related Material Issues	Contributions to SDGs
	2026	2030						
Support the career development of women engineers (3rd and 4th-grade students)	-	22 workshop, 560 women engineering students	2024	7 workshops, 307 women engineering students	Newly set	IC, HC, SC	Corporate Citizenship	SDG 5, 10, 17 AC related target <sup>3</sup>
Increase the employment rate of women employees at women-led dealerships	-	60%	2024	51%	Newly set	IC, HC, SC	Corporate Citizenship	SDG 5, 8, 10, 17
Increase the number of women entrepreneurs in the dealer ecosystem by boosting the number of women Beko dealers	150 women dealers	-	2021	86 women dealers	Ongoing	IC, HC, SC	Corporate Citizenship	SDG 5, 8, 10, 17 AC related target
Ensuring that women receive technical training and start working as technical service personnel in Arçelik Authorized Services	1,000 women technicians	-	2021	0 women technicians	Ongoing	IC, HC, SC	Corporate Citizenship	SDG 5, 10, 17 AC related target
Provide technology design, IT, and software training to reduce the gender digital divide in 81 provinces of Türkiye to women students	100,000 women students	-	2021	0 women students	Ongoing	IC, HC, SC	Corporate Citizenship	SDG 4, 5, 10, 17 AC related target

1 Target year dates signify "by the end of" the year determined.  
2 The base year has been adjusted as 2024 for some targets.  
3 Until 2026, our target will follow the goals we merged under the Action Coalition umbrella.  
AC: Action Coalition  
NC: Natural Capital, MC: Manufactured Capital, FC: Financial Capital, IC: Intellectual Capital, HC: Human Capital, SC: Social Capital



As our Company expands its operations and reviews its strategy, our sustainability targets have been revised. These targets align with our long-term vision and commitment to creating value for our stakeholders in line with Sustainable Development Goals (SDGs).

Targets	Target Year <sup>1</sup>		Base Year <sup>2</sup>	Base Year Data	Target Status	Related Capitals	Related Material Issues	Contributions to SDGs
	2030	2040						
Increase the average training hours per employee	32 hours	35 hours	2024	22	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 4
Convert training activities to online platforms	30%	35%	2024	6%	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 4
Increase the percentage of women	-		2024	-	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
– in the total workforce to	35%	40%	2024	29%	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
– in all management positions to	30%	35%	2024	26%	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
– in junior management positions to	35%	35%	2024	27%	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
– in top management positions to	32%	35%	2024	27%	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
– in management positions in revenue generating functions to	25%	30%	2024	20%	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
– in STEM related positions to	38%	40%	2024	22%	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
– Assign women directors in STEM-related departments	3	4	2024	1	Newly set	IC, HC	Future Fit Culture, Talent and Organizational Management	SDG 5, 6
Reach supplier employees for OHS training	5,000 supplier employees	-	2024	3,852	Newly set	HC, SC	Sustainable Supply Chain Management	SDG 3, 4, 17
Ensure the suppliers use green electricity	100% green electricity for the suppliers in 90% of purchasing volume	-	2024	26% green electricity for the suppliers in 13% of purchasing volume	Newly set	NC, FC, MC, SC	Sustainable Supply Chain Management	SDG 7, 9, 12, 13
Emission reduction targets set by our suppliers	Suppliers in 90% of purchasing volume	-	2024	Suppliers in 4.6% of purchasing volume	Newly set	NC, FC, MC, SC	Sustainable Supply Chain Management	SDG 7, 9, 12, 13
Ensure our suppliers set their own targets on water	Suppliers in 90% of purchasing volume	-	2024	Suppliers in 14.8% of purchasing volume	Newly set	NC, FC, MC, SC	Sustainable Supply Chain Management	SDG 6, 9, 12 FF related target
Ensure our suppliers exceeding 500 ToE obtain the ISO 50001 certificate	Suppliers in 90% of purchasing volume	-	2024	Suppliers in 30.3% of purchasing volume	Newly set	NC, FC, MC, SC	Sustainable Supply Chain Management	SDG 7, 12, 13

1 Target year dates signify “by the end of” the year determined.

2 Since Beko Europe has been added to the scope, the base year has been adjusted as 2024 for all targets.

FF: Forward Faster

NC: Natural Capital, MC: Manufactured Capital, FC: Financial Capital, IC: Intellectual Capital, HC: Human Capital, SC: Social Capital

ToE: Tonnes of Oil Equivalent

# IN TOUCH WITH OUR PLANET

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BUSINESS



➔ Please refer to the Sustainability Targets section to explore Arçelik's environmental targets and its 2024 progress.



## Related Capitals



Natural



Intellectual

Our Science Based Targets

We have committed to the Science Based Targets Initiative to become a net zero company as of 2050 in line with the Science-Based Targets Initiative Corporate Net Zero Standard\*. Within the scope of this commitment, our new near-term and net-zero targets which are aligned with the 1.5°C climate scenario were officially validated by the Science Based Targets Initiative (SBTi) in November 2024.

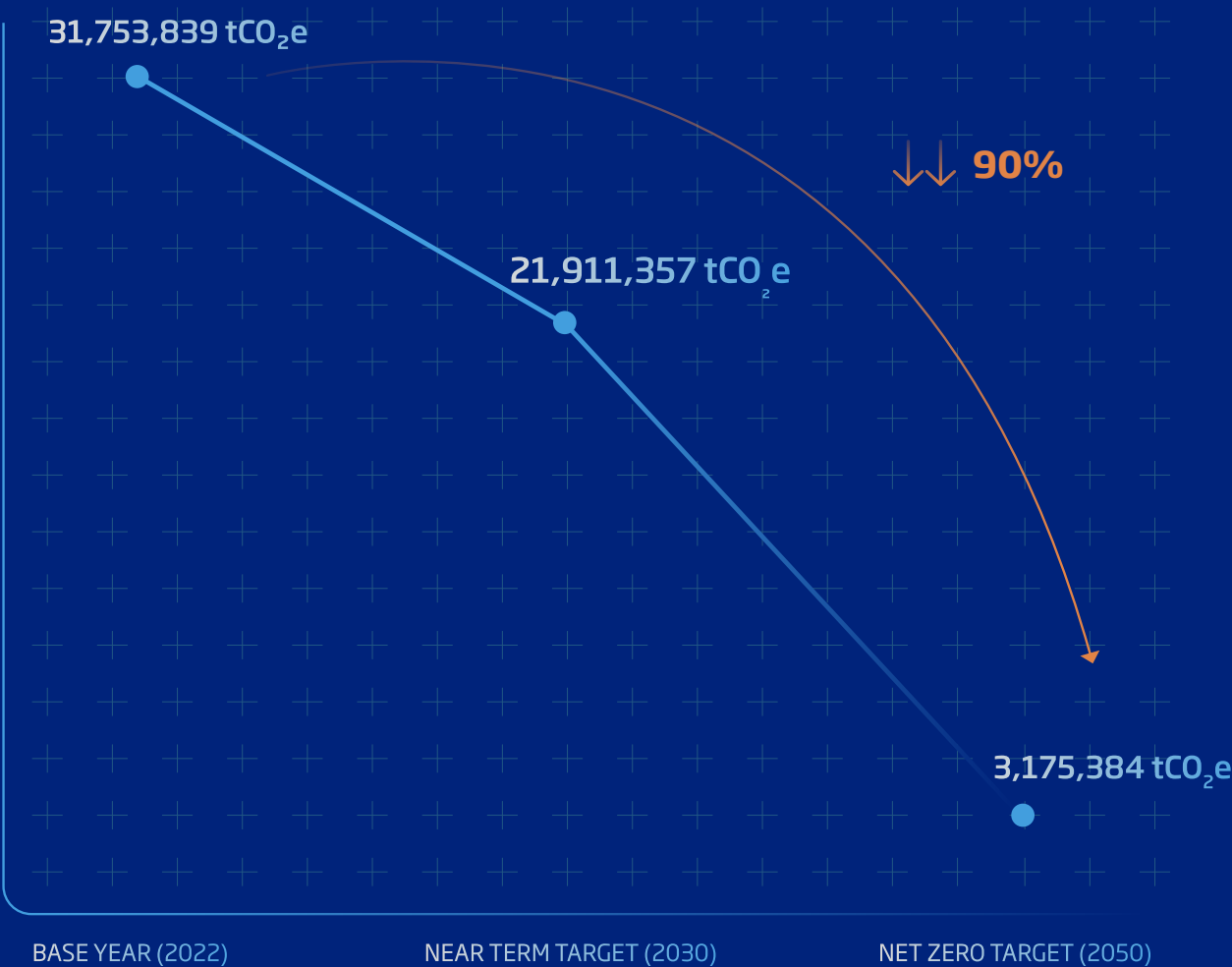
In the scope of our new near-term target, we commit to reduce our absolute Scope 1 and Scope 2 emissions by 42% by 2030 from a 2022 base year and reduce Scope 3 emissions from the use of sold products by 42% for the same period.

By 2030: **42% reduction** in Scope 1, Scope 2 and Scope 3 use-phase emissions\*\*

By 2050: **90% reduction** in all Scope 1, 2 and 3 emissions, investing in carbon removal projects for the **residual 10%** of emissions

2022 Coverage: All manufacturing facilities including JVs MDAs, SDAs, TVs and A/Cs

The Company’s Net Zero Roadmap



\*\*2030 Scope 3 Target covers use-phase emissions of dishwasher, dryer, frontload washing machine, hob, hood, microwave, oven, refrigerator, television, vacuum cleaner, washer dryer, air conditioner product groups while 2050 Target covers all emissions in the base year.



Scope 1&2

- Energy efficiency projects including compressed air, energy efficiency in HVAC systems and lighting systems, insulation, heat recovery, energy efficient motor transition and process optimization
- Improving energy efficiency in buildings and LEED certified manufacturing facilities
- Increasing the number of ISO 50001 EnMS certified factories and doubling economic output for every unit of energy consumed
- Electrification in manufacturing
- Low GWP refrigerant usage in manufacturing
- Transition to electric cars and forklifts
- Use of green hydrogen where possible (to be considered after 2030)
- Making significant investment to achieve the 2030 target to reach 100 MW<sub>p</sub> renewable energy capacity and starting to work towards surpassing 110 MW<sub>p</sub> capacity by 2040
- Aiming for 100% renewable electricity with renewable energy systems for self-consumption and EACs and PPAs in all manufacturing facilities
- Using more renewable thermal energy in manufacturing facilities

Scope 3 Emissions Generated During Product Use Phase

- Increasing penetration of super energy-efficient products globally, including developing and emerging countries without energy regulation
- Increasing penetration of solar-powered refrigerating appliances especially in South Africa, Pakistan, India, Bangladesh
- Accelerating the phase out of high GWP refrigerants with the transition of low GWP refrigerant in all our products
- Increased R&D for efficient and affordable products
- Using refrigerators comprising low thermal conductivity insulators (<10 mW/m²K), fully VIP based insulation, injectable aerogel applications (3 mW/m²K)
- Implementing new and novel heat pump technologies, VCC compressor with higher performance
- Using non-fluorinated refrigerant heat pump systems in all washing machines and dishwashers
- Increasing communication activities on environmentally friendly products, energy and water saving tips at home with the aim to educate consumers to make informed choices
- Creating applications allowing gamification-based awareness campaigns with the users of connected appliances for more energy and water saving based on preferences of the consumer and more awards generated
- Collaborating with relevant stakeholders including NGOs which follow programs that develop energy efficiency policies on household products to increase minimum energy efficiency labelling requirements especially in emerging markets
- Working with financing institutions to make energy-efficient appliances financially available for more consumers

Scope 3 Logistics Emissions

- Working towards the target to reduce emissions resulting from logistics operations by 90% by 2050 in line with corporate goals
- Reducing number of shipments
- Increasing the rate of lower-emission transportation modes
- Switching to biofuel alternatives, gradually increasing biofuel alternatives for downstream transportation
- Switching to electric transport alternatives using electricity from renewable source
- Route Optimization

Scope 3 Emissions from Materials Used in Products

- Increasing recycled materials amount used in products and packaging
- Decreasing raw material amount used in the products
- Increasing recovered materials used in the products from Company's own WEEE Recycling Plants
- Searching for green steel alternatives

Energy Efficiency and Renewable Energy

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LEED AND EDGE CERTIFICATION

The new factories in Bangladesh and Egypt were built to meet LEED Gold standards and started operations in 2024.

- Our Washing Machine Plant in Manisa has received the EDGE Advanced certification in 2024, demonstrating international-level environmental Sustainability.
- Our Washing Machine Plant in Romania was awarded LEED Platinum Certificate in 2019, the highest level in the LEED green building rating system.
- Our Washing Machine Plant in Romania was awarded LEED Platinum Certificate in 2019, the highest level in the LEED green building rating system.

GREEN ELECTRICITY

**60.5%**

green electricity usage in our manufacturing operations. We will increase this ratio to 100% by 2030 in line with our sustainability targets.

- Electricity Generated: 114,260 GJ
- Emissions prevented: 13,416 tCO<sub>2</sub>e
- Financial Saving: TRY 107,209,851

RENEWABLE ENERGY

**90.2 MW  
installed  
renewable  
energy capacity**

KEY PROJECTS

With a total of 332 energy saving projects at production sites, the results in 2024:

- Energy saving of around 59,901 GJ
- Emissions saving 5,800 tCO<sub>2</sub>e
- Financial saving TRY 48,725,533

INTERNAL CARBON  
PRICING: SHADOW PRICE

**EUR 50 per tonnes of  
tCO<sub>2</sub>e**

applied for the machinery and equipment investments above 50 kW installed capacity and EUR 50,000 capital cost.





CEO Water Mandate

We commit to meeting the expectations of the CEO Water Mandate and report on our progress annually. Thus, we are committed to action in Direct Operations, Supply Chain and Watershed Management, Collective Action, Public Policy, Community Engagement, Transparency.

A total of 223,650 m³ of water

is saved thanks to water efficiency projects including recycling and reusing wastewater and rainwater harvesting projects carried out at various locations.

75-230 TRY/m³ total unit prices

Internal Water Price (IWP) calculation includes monthly water bills, operational expenses, inflation rates and other direct/indirect water and wastewater prices.

98.5% of waste recycling rate

in all manufacturing facilities.





CHEMICALS  
MANAGEMENT

BIODIVERSITY

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**Arçelik Chemical  
Conformity  
Specification &  
Arçelik specification  
requirements &  
national chemical  
requirements**

have been prepared in a technical  
specification and shared with  
relevant parties.

**Arçelik aims to  
work to improve  
biodiversity  
footprint towards  
No Net Loss as of  
2050 especially in  
selected priority  
areas and is  
committed to no  
gross deforestation  
from our operations’  
activities by 2050.**

have been prepared in a technical  
specification and shared with relevant  
parties.



MATERIAL REDUCTION

17,163 tonnes of material reduction

including plastics by 15,915 tonnes, metals by 743 tonnes, chemicals by 13 tonnes, packaging materials by 466 tonnes, electronic components by 25 tonnes was reduced compared to previous model material usage.



RECYCLED MATERIALS IN PRODUCTS

27,835 tonnes of recycled plastics

were used in products. 98.8 tonnes recycled waste PET bottles, 10 tonnes recycled waste fishnets and 426 tonnes recycled waste industrial thread, 80 tonnes recycled plastic produced by the recycling of Arçelik's packaging waste, were used in major domestic appliances in 2024, while 486 tonnes recycled plastics were used in only some of the small domestic appliances. For the first time, recycled ABS plastic raw material has been used in the parts of specific dishwasher models, completely eliminating the painting process for these parts.

ENERGY AND WATER EFFICIENT PRODUCTS

61.9%  
of our turnover from energy-efficient product\*

76.3%  
of energy-efficient product\*\*

\* Energy efficient products refer to the reduced environmental impact that results from the use phase of products. The coverage is products which consume less energy than the lowest "allowable" energy efficiency classes based on the available regulations in the specific countries. "Allowable" refers to the lowest energy class allowed in the market. It was calculated by considering products which have higher energy efficiency than the allowable class on the market. The relevant product groups include: Dishwasher, Front Load Washing Machine, Refrigerator (Cooling), Refrigerator (Freezer), Tumble Dryer, Washer Dryer, Television, Oven, Hood, Air Conditioner, Heater, and Heat Pump. For heaters and heat pumps, EU regulations have been taken into account regardless of the country in which they are sold. For all other product categories, specific countries refer to the labels and product groups in Annex 7. Product Indicators of the 2024 Integrated Report.

\*\*Calculations are based on the following formula: (Total energy-efficient eleven product categories' sales quantity/ Total 11 product categories' sales quantity) x 100. 11 product categories: Dryer, Dishwasher, Freezer & Refrigerator, AC, Oven, TV, Washer Dryer, Washing Machine, Electric Storage Water Heater, Hood.



DURABILITY, REPARABILITY AND  
REFURBISHMENT

We extend product life through our initiatives to increase the durability, repairability, and reusability of our products. For further details, please refer to our 2024 Integrated Report.

PRODUCT PACKAGING

**849 tonnes of recycled  
and recyclable  
cardboard and 485  
tonnes of molded pulp**

instead of EPS

**436 tonnes recycled  
plastic in shrink**

packaging of the products

**245 tonnes of  
recycled plastic**

in accessory and product bags

**223 tonnes of  
recycled plastic strip**

in packaging of the products

ENVIRONMENTAL IMPACTS OF  
PRODUCTS DURING THEIR LIFE  
CYCLE

**13 environmental  
impact categories**

considered in the analysis of the  
impact of our products by evaluating  
them during their lifetime.

END OF LIFE RESPONSIBILITY

**1.86 million WEEE  
units**

have recycled in our WEEE recycling  
plants from 2014.





# IN TOUCH WITH HUMAN NEEDS

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➔ Please refer to the Sustainability Targets section to explore Arçelik's social targets and its 2024 progress.



Natural



Intellectual



Human

## Related Capitals

# CORPORATE CITIZENSHIP

Our corporate citizenship approach, guided by Our Global Corporate Citizenship Policy and Civil Society Cooperation Policy, aims to create a better world for future generations while focusing on respecting society. At Arçelik, we aim to improve lives and strengthen local communities through our activities in the areas of:

- Gender equality
- Quality education
- Entrepreneurship ecosystem
- Sustainable living and environment

## Over TRY 303 Million

spent on corporate citizenship activities.



GENDER EQUALITY

WE-inTech ● ● AC

project aiming to empower women in R&D and innovation fields in Türkiye, Pakistan, South Africa, and Romania.

**307 women**

engineering students reached since 2019.

QUALITY EDUCATION

Digital Wings Project ● ● AC

project aiming to provide technology-design and IT and software trainings to 100,000 girls (aged 10-14) in 81 provinces in Türkiye until 2026.

**34,819 girls**

reached across 81 provinces of Türkiye in 2024, reaching to 70,191 girls in total since the launch of the project.

EMPOWERING ENTREPRENEURSHIP ECOSYSTEM

Her Business, Her Power ● ● AC

project aiming to empower women entrepreneurs in our dealership ecosystem

**125 women dealers with 151 stores**

reached with the women employment ratio in the dealers and their stores increasing to 51%

500 Women Technicians ● ● AC

program aiming to increase women technicians working at Arçelik Authorized Services to 1000 by 2026.

**734 women technicians**

reached since the start

**447 active women technicians**

By integrating 70 new women technicians

Leadership at Work, Equality in Internship Project ● ●

project aiming to support women's representation in the economic and social life with the power of Arçelik & Beko authorized dealers and services

**43 women**

participated and completed the program in 2024, reaching to 175 participants and 25 women working in dealers and services since its initiation.





Corporate Volunteerism

EARTHQUAKE  
RELIEF EFFORTS

Support for  
earthquake victims

continued after the severe earthquake that occurred in Türkiye in 2023 along with the establishment of social areas and container cities

CORPORATE SOCIAL  
RESPONSIBILITY OF OUR  
SUBSIDIARIES

United Kingdom  
(UK): Beko PLC  
& Barnardo’s  
Partnership

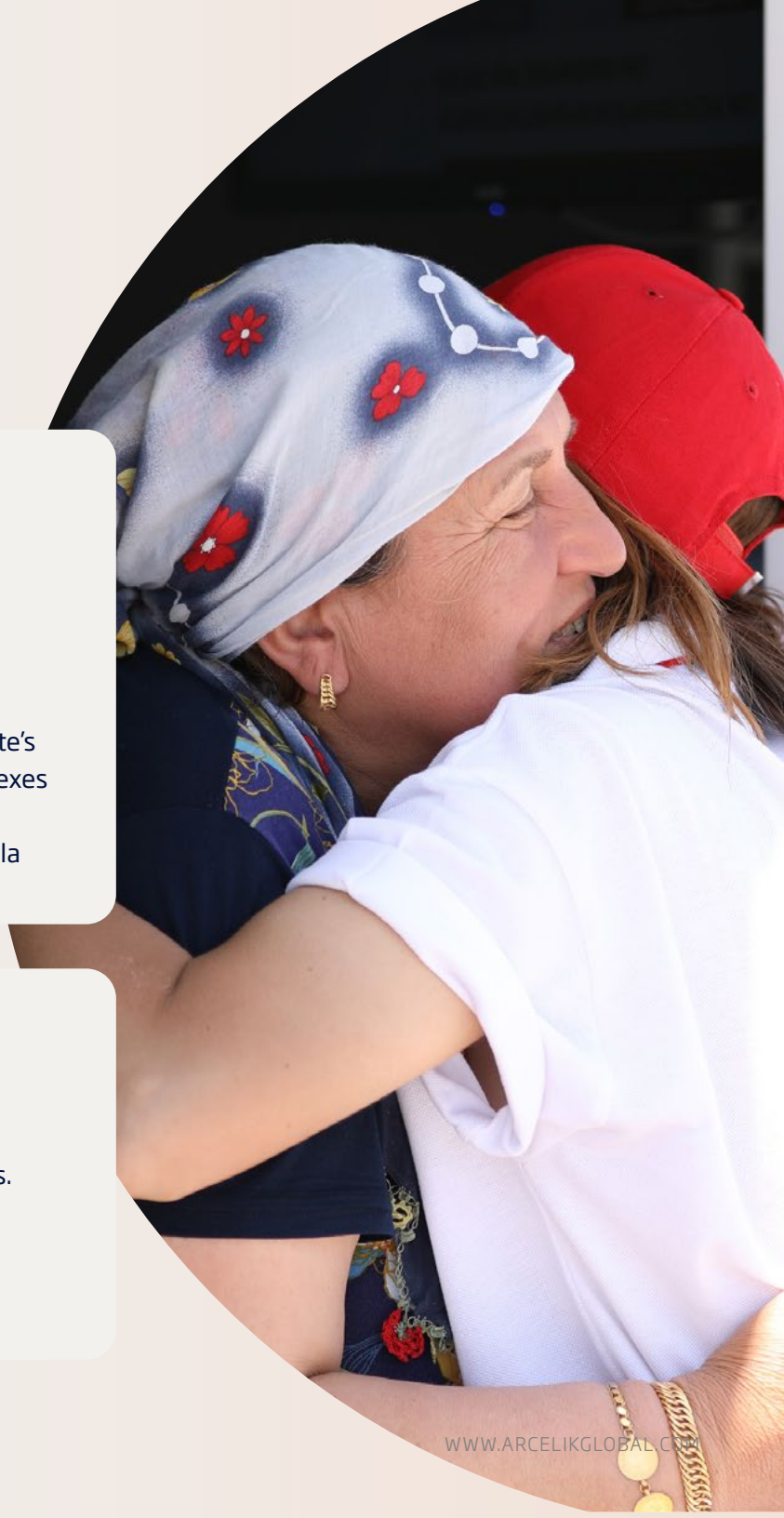
- Donation of more than 1,000 appliances since the partnership began in 2013 for vulnerable families and children

Austria:  
Elektrabregenz  
& Pro Juventute  
Partnership

continued to support Pro Juventute’s socio-therapeutic housing complexes through donations as well as contribution to charity auction gala

India: VoltasBeko

- “Joy of Giving” festival were organized with employee contributions, providing children’s clothing, toys, school supplies, food, and hygiene products to local NGOs.
- Over 600 saplings were planted on the factory campus.





CORPORATE SOCIAL RESPONSIBILITY OF OUR SUBSIDIARIES

Pakistan: Dawlance Partnerships

- Two water purification plants were established in Nawabshah under the “Boond e Shams Oasis Box” program, providing clean water access to 10,000 people.
- 17,000 meals were provided to underserved communities.
- SOS Rahnuma Program in partnership with SOS Children’s Village provided mentorship to young individuals.

South Africa: Defy & Taking Care of Business Partnership

- Solar Community Project through Defy’s investment in its Solar Off-Grid series aims to address energy access challenges and ensure underserved communities have access to energy-efficient technology advancements in Umlazi Township.

Bangladesh: Singer

- Through the collaboration with SOS Children’s Villages Bangladesh, 106 children were provided with a one-month supply of essential food supplies.
- Through the collaboration with AIM Initiative Foundation, school bags and stationaries were provided for 20 children.
- After severe floods devastated the eastern and southeastern regions of Bangladesh, the funds raised were used to provide direct financial assistance from employees to the affected employees and partners.

Partnerships

Collaborated with Water.org

to help empower 10,000 Kenyans in need with the water or sanitation

10,236 people

reached in the region thanks to Beko’s support since the beginning in the last quarter of 2022.



Increased efforts to tackle food waste

through Grundig partnerships with Massimo Bottura and Food for Soul to support disadvantaged groups

2,471 tonnes

of food were prevented from being wasted

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➔ Please refer to the Sustainability Targets section to explore Arçelik's business targets and its 2024 progress.



## Related Capitals



Natural



Intellectual



Human



Financial



Manufactured

TRY 6,073\* Million

environmental related investments  
and expenditures

EUR 150 Million  
Green Loan

agreement signed with the European Bank of Reconstruction  
and Development (EBRD) in 2021. The initial EUR 83 million loan  
is structured under the Green Loan Principles (LMA) to finance  
environmental sustainability and R&D projects, supporting our  
goal of net-zero emissions across the value chain by 2050.

EUR 350 Million  
Green Bond

allocation completed net proceeds to  
Eligible Green Projects as of December  
31, 2023.

- For further information, please refer to  
our [Green Financing Framework](#).
- For further information, please refer to  
our [Green Bond Allocation and Impact  
Reports](#).

Sustainability-Linked Financing  
Framework

Launched in April 2024 is based on its sustainability agenda and  
goals. The framework includes the Company's 2030 goals for  
GHG emissions reductions for scope 1&2 and scope 3 from use  
of sold products and increase the percentage of women in the  
total workforce.

\*Inflation accounting has been applied to this data according to IAS 29 Financial Reporting in Hyperinflationary Economies.





Human Rights

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Right to Collective Bargaining and  
Freedom of Association

45 out of 45  
factories

were subject to human rights  
assessments internally or by third-  
party audits.

Practical  
remediation actions

are taken to compensate for human  
rights harms that have occurred.  
Remediation actions include financial  
or non-financial compensation,  
apologies, offering rehabilitation,  
punitive sanctions, and administrative  
changes concerning organizational  
structure.



78% of our  
employees

were covered in 2024 by collective  
agreements in countries where we  
have manufacturing plants.





Human Capital

**Our Purpose** is our common cause; it defines why we exist and unites us in a shared ambition for the future: “Inspire Sustainable Lives in Every Home”.

**Our Values** define the fundamental motives and beliefs that guide what we do as we deliver our Purpose. They come to life in every decision we take, in our practical behaviors and, and how we work together to get things done.

**Our Leadership DNA** defines the winning behaviors that are unique to us and critical to our long-term success. Our Leadership DNA shows how we behave as individuals and how we operate as a business.

➤ For further information about Our Culture, please refer to Our Culture on our website.

AGILE TRANSFORMATION

The transformation is monitored in the following four areas:

- 1. **Organizational Structure:** Designing of the roadmap and implementing agile organization- al structures
- 2. **Employee Experience and Communica- tion:** Tools are designed for employees to communicate their own needs and expecta- tions, their experiences are evaluated, and information flow is ensured during the trans- formation process.
- 3. **Culture and Capabilities:** The measurement of agile maturity level and the development of company-wide training and development plans are carried out in this dimension.
- 4. **Business Processes and Infrastructure:** Preparing the systems and processes that functions need for their agile transformation journeys, especially Human Resource process- es.



DIVERSITY, EQUITY, AND INCLUSION

Arçelik is committed to creating a purposeful, equal, and diverse work environment, fostering an inclusive culture where all employees are respected and valued. With over 50,000 employees worldwide, the company believes that embracing diverse skills, experiences, and perspectives is key to unlocking full potential and building a sustainable future.



100.4%

Average Ratio of women to men salary at executive level (base salary only),

100.7%

Average Ratio of women to men salary at management level (base salary only)

97.4%

Average Ratio of women to men salary at non-management level

11.1%

Global mean (average) raw gender pay gap\*\*

99.4%

Average Ratio of women to men salary at executive level (base salary + other cash incentives)

99.9%

Average Ratio of women to men salary at management level (base salary + other cash incentives)

99.5%

Average pay gap\* (women to men)

11.1%

Average pay gap levels\*\*\*

\* Percentage of compensation for women to men.

\*\* The mean compensation for women is subtracted from the mean compensation for men, and then divided by the mean compensation of the higher compensation.

\*\*\* Average gross hourly pay level of women is subtracted from average gross hourly pay level of men, and then divided by the average gross hourly pay level of men.

TALENT, PERFORMANCE AND  
CAREER MANAGEMENT

Young Talent Programs

Fresh Start Internship Program

WE-inTech

PREP



PERFORMANCE MANAGEMENT

Koç Dialogue

is based on three pillars, which are Objective Key Results (OKRs), Multi-Dimensional Scales, Feedback and Development Dialogue.

Over 5,300 employees

from 44 countries in our subsidiaries included in the Koç Dialogue performance process.

FUTURE FIT DEVELOPMENT

1,166,146

hours of training

22 hours

average hours per employee on training and development

TRY 4,006

average amount spent on training and development

6%

of these training sessions was conducted through online learning platforms.

Future Fit Core

742,590

hours of training

Future Fit Capability

390,461

hours of training

Future Fit Leadership

33,095

hours of training



TALENT MOBILITY AND  
PROMOTION

Talent Mobility

We encourage rotation of our employees within departments, functions, and/or subsidiaries on a local and international scale. Our Talent Mobility Program takes the individual and organizational capabilities into consideration and covers four types of assignments: strategic, technical expert, developmental, and employee driven. These moves can aim strategic and/or technical expertise transfer to ensure organizational success or have development purposes for individuals.

Strategic Assignments: These are typically in senior management roles with an impact on the country or wider business strategy. The assignment objectives are of a strategic nature, such as leading a new operation or M&A activities, instilling corporate control or creating a continuous performance culture.

Technical Expert Assignments: Technical Expert Assignments are driven by business to serve the business needs for specific technical expertise transfer. Assignment objectives mainly include the transfer of skills, information exchange, during M&A or integration processes.

Developmental Assignments: These assignments are a part of an individual growth plan driven by the organizational need for the individual to have a global mindset gained through exposure to the business or markets.

Employee Driven Assignments: Requested by the employee through internal job postings, rather than the business or HR.



# FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

## EMPLOYEE WELL-BEING

### Employee Sports Clubs

The sports teams represented the Company in corporate company leagues, Koç Group Sports Festivals, and organizations throughout the year. Within the scope of the Koç Group Sports Festival, which was held for the 35th time in 2024. Over 1000 employees globally took part in competitions in the 18 branches and won 12 trophies individually or as a team on behalf of the Company.

### Hybrid Working Program

Recognizing evolving work habits and trends, we have introduced a refined hybrid model to enhance flexibility while ensuring business continuity. As part of this update, we are strengthening intra-team and inter-team collaboration, reinforcing our company culture, and creating more opportunities for social interaction.

In some locations, as of September 1, 2024:

- Employees who do not manage teams will follow a 4+1 weekly working model (4 days in the office, 1 day remote).
- Colleagues in managerial roles will follow a 5+0 working model (5 days in the office).

This approach provides a structured yet adaptable framework, aligning with our commitment to productivity, teamwork, culture and engagement.

### Part-Time Working Options

In some countries, we provide part-time job opportunities and support part-time working options. At some of our locations, we provide women employees with children under six years old the ability to work part time, in accordance with local legislation.





0.89

Lost Time Injury Frequency Rate  
(LTIFR) for employees

1.20

Lost Time Injury Frequency Rate  
(LTIFR) for contractors

0.93

Lost Time Injury Frequency Rate  
(LTIFR) for employees and contractors





R&D and Innovation

**Over 700 R&D Projects**

carried out and over 3,100 patents registered globally

**Over 8\* Million R&D Spending**

Digital Transformation Projects

**TRY 517.8 Million**

saving achieved with digital transformation projects

**15%**

energy saving achieved in the Bitumen oven line of the Dishwasher Plant in Ankara with the development of the Digital Twin

Horizon Europe Projects

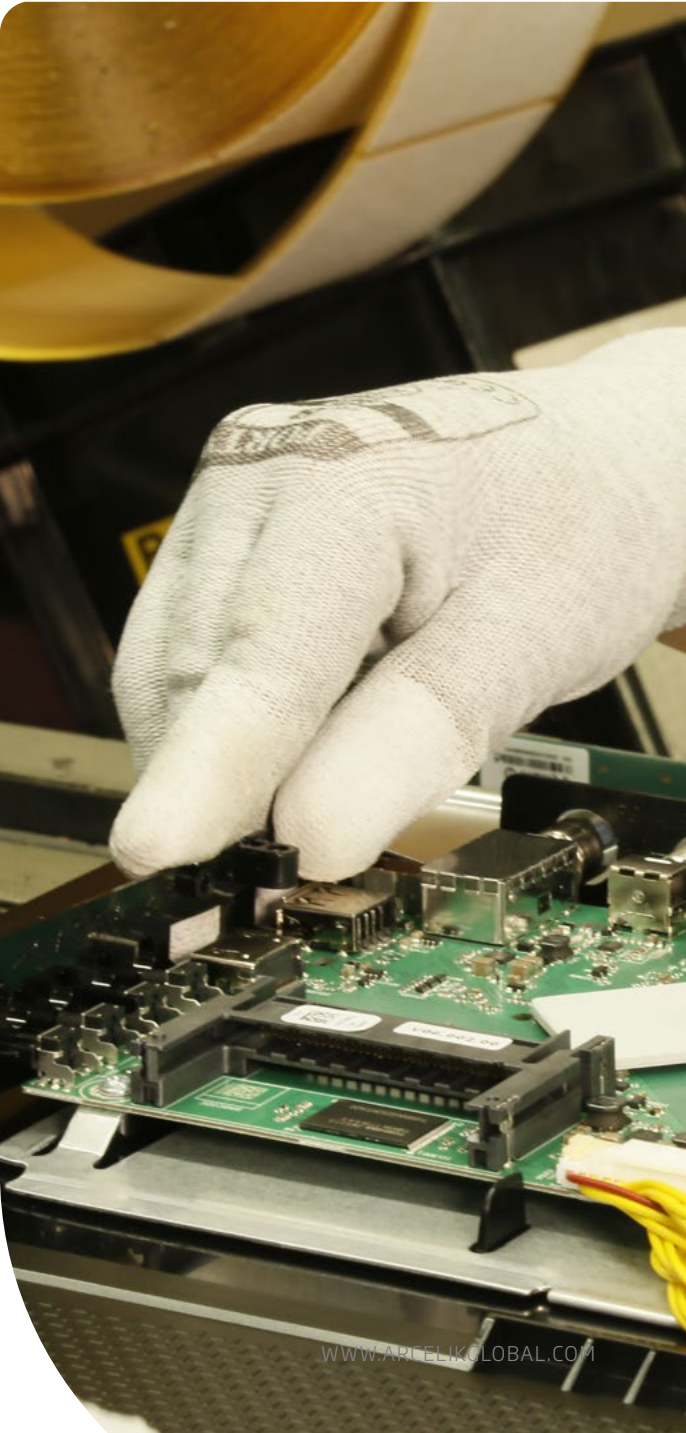
**EUR 6.6 Million funds**

from Horizon Europe projects with more than 400 partnerships established

**12 projects**

were accepted to Horizon Europe Program

\*Inflation accounting has been applied to this data according to IAS 29 Financial Reporting in Hyperinflationary Economies



# PRODUCT QUALITY AND SAFETY

## Product Quality and Quality Management

### Structured quality management mechanism established across all processes

- Q-STAR audits configured to measure the maturity level of the quality management process
- Reliability & 6 Sigma Day to share the work carried out on product reliability, quality and safety

## Product Safety Management

### Risk assessments conducted

in accordance with regional and international standards and regulations

### International product safety standards and Arçelik's Product Safety Design Criteria

taken as the basis for product safety





# CUSTOMER AND CONSUMER EXPERIENCE

## Nearly 3,000 dealers

with different concepts located  
throughout Türkiye

## More than 80,000 collaborations

established with retailers and retail  
chains in different locations around  
the world

# SUSTAINABLE SUPPLY CHAIN MANAGEMENT

## Approximately 2,700 Tier-1 material suppliers

from over 60 different countries over  
EUR 7 billion total purchasing volume  
reached

## Accepting and complying with Arçelik Global Responsible Purchasing Policy

is contractual obligation.





Supplier ESG Program

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SUPPLIER SELECTION  
CRITERIA

**A minimum of 20%  
of ESG score**

is weighted in the final score of  
the supplier to be selected for the  
contract.

SUPPLIER SCREENING  
PROCESS

**In determining  
significant  
suppliers for the  
company, business  
relevance aspects  
are combined with  
potential ESG risks of  
the supplier.**

SUPPLIER SUSTAINABILITY INDEX

Survey	Business Ethics Audit
<p>Qualitative and quantitative ESG data are collected yearly through a comprehensive online survey prepared in line with GRI Sustainability Reporting Standards, and verification is provided by the third-party independent accredited audit firm based on evidence of the suppliers. Suppliers that do not fill out the supporting documentation or the data requirements do not get any points from the relevant questions. We assess the suppliers based on the data provided to understand their level of maturity in terms of ESG integration into their business based on our internal assessment.</p> <p>The aim is to understand our suppliers’ ESG-related risks and opportunities by collecting and analyzing their data. Our main intention is to enable Scope 3 emissions reduction in the value chain.</p> <p>It is important to emphasize our rationale behind this effort. Having committed to Net-Zero 2050 targets within the entire value chain, supply chain decarbonization is critical. We would also like to understand the environmental impact from a more general perspective of our supply chain. Therefore, we have started to increase our collaboration with our suppliers to improve their environmental performance.</p> <p>For further information regarding the qualitative and quantitative ESG data required in the questionnaire, you can refer to Arçelik Supplier ESG Program.</p> <p>For further information regarding capacity building in this regard, please refer to the Supplier Development Programs section of the Report.</p>	<p>A comprehensive on-site or online audit covering ESG topics aligned with Business Social Compliance Initiative (BSCI) and the Suppliers Ethical Data Exchange (SEDEX), and Responsible Business Alliance (RBA) is carried out by an independent accredited third-party auditor with relevant certificates. Within the scope, the compliance of our suppliers with Arçelik Global Responsible Purchasing Policy is assessed, which includes the Company’s expectations for legal practices, working conditions, ethical rules, occupational health and safety, and the environment.</p> <p>The aim is to help identify potential risks, promote transparency, and foster responsible business conduct across the upstream value chain with a focus on understanding suppliers’ employees’ perspectives and properly guiding the process. The engagement with our suppliers’ employees is yearly carried out through a credible third-party and occurs at key stages, with the frequency and type of engagement varying based on the situation. Additionally, each supplier undergoes an ethical audit every three years, and if they have not been audited in the last three years, they will be included in the audit schedule for that year.</p> <p>For further information regarding the details of the business ethics audits, you can refer to Arçelik Supplier ESG Program.</p>

PERFORMANCE ASSESSMENT AND CORRECTIVE ACTION PLAN

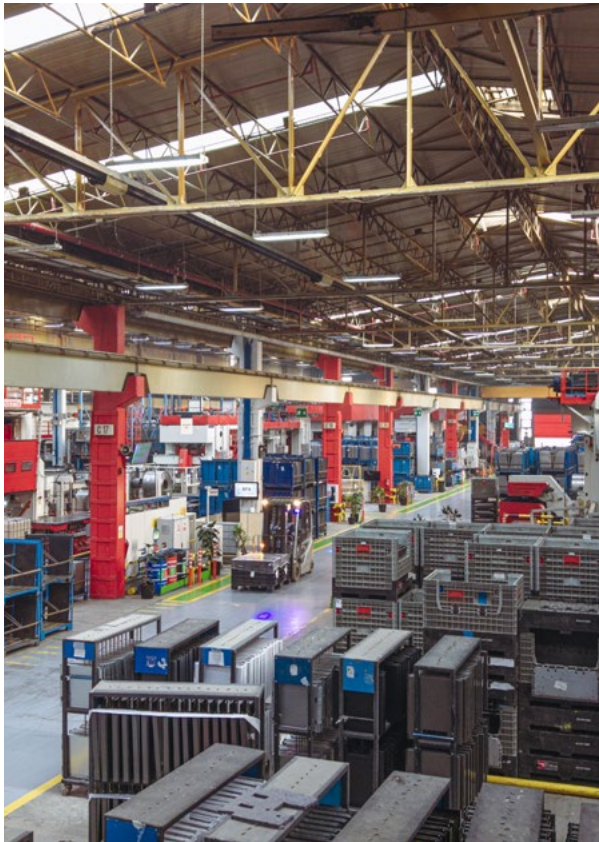
The results of both assessments (survey and business ethics audit) mentioned above are combined to scale the performance of the suppliers as high, medium, or low risk (acceptable, good, and excellent). If any findings constitute a potential risk, as a mitigation measure, we send corrective action plans to suppliers. As defined in the Supplier ESG Program, suppliers are given a certain period to improve and work on an action plan to address the non-conformities. If High and Middle Risk suppliers fail to improve their scores to an Acceptable risk level within 10 months of the plan’s launch, the Company reserves the right to terminate the contract with the supplier.

COMMITMENT LETTER

SUPPLIER ASSESSMENT FINDINGS

194 suppliers

is weighted in the final score of the supplier to be selected for the contract.



Suppliers' ESG Assessments Tier-1 and 2 material and OEM		
Screening Based on business relevance and ESG impacts within value chain risks	723 unique Tier 1 and OEM suppliers 7 unique Tier 2 suppliers	87.9% of our purchasing volume of our Tier 1 and OEM suppliers
Supplier Sustainability Index Based on ESG Survey and/or Business Ethics	401 unique Tier 1 and OEM suppliers 7 unique Tier 2 suppliers	56.9% of our purchasing volume of our Tier 1 and OEM suppliers
Substantial Potential/Actual Negative Impacts Based on middle and high risks suppliers	142 unique Tier 1 and OEM suppliers 4 unique Tier 2 suppliers	18.6% of our purchasing volume of our Tier 1 and OEM suppliers
Corrective Action Plan Suppliers we agreed to work on corrective action plan	100%	

SUPPLIER DEVELOPMENT PROGRAMS



CONFLICT MINERALS MANAGEMENT

**As a member of the Responsible Minerals Initiative (RMI)**

we make efforts in concert with the international community to improve mineral sourcing practices and to utilize diverse information on high-risk minerals concerning their smelters or refiners (SORs) as well as their place of origin. For further information, please refer to [Arçelik Conflict Minerals Due Diligence Report](#).





FOCUS AREAS OF LOGISTICS ESG TRANSFORMATION

Decreasing emissions	Green transition at warehouses	Reducing, recycling, reusing material	Sustainable strategic partnerships	Women employment in operations
<p><b>0.8%</b> increase in railway use*</p> <p><b>124 tCO<sub>2</sub>e and 335 tCO<sub>2</sub>e</b> avoided with higher volume containers and combined shipments (spare parts and finished goods) in Türkiye operations.</p>	<p><b>5,981 kWh</b> electricity use for automatic lighting system, compared to 11,372 kWh in 2023 at APAC warehouses.</p> <p><b>2,486 kWh</b> electricity use for automatic lighting system, compared to 2,534 kWh in 2023 at Türkiye warehouses.</p>	<p><b>150 tonnes</b> of cardboard saved with foldable boxes in Türkiye.</p> <p><b>9.7 tonnes</b> wooden usage at Türkiye warehouses, reduced from 12 tonnes in 2023.</p> <p><b>20%</b> decrease in packaging material (carton boxes and stretch film consumption) at APAC operations.</p> <p><b>40%</b> reduction in film usage and improved operational efficiency through automatic wrapping at Beko Europe warehouses.</p>	<p><b>23 third party logistics suppliers</b> have completed our sustainability training</p>	<p><b>40% employee were women</b> at central distribution and spare parts warehouses in Türkiye</p>

\* for transportation between the port and warehouse in Türkiye



# Arcelik

## LEADING A BETTER FUTURE ON THE PALE BLUE DOT\*

[WWW.ARCELIKGLOBAL.COM](http://WWW.ARCELIKGLOBAL.COM)



Reporting Structure and  
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DESIGN

**Studio Pathway**  
[studiopathway.com](http://studiopathway.com)



PREVIOUS REPORTS