Arçelik

* Earth,
Home Planet

LEADING A BETTER FUTURE ON THE PALE BLUE DOT*

INTEGRATED REPORT 2024

ABOUT THE CONCEPT

"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.

#OurHomePlanet

leading a better future on the Pale Blue Dot*

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NAVIGATION SYSTEM

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

ABOUT THE REPORT

↗ Please see our TSRS Compliant Sustainability Report

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.

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 Annex section of the Report.

A MESSAGE FROM OUR CEO

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.

A MESSAGE FROM OUR CEO

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 Lighthouse 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_2e emissions. We also saved 223,650 m^3 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

ARÇELİK AT A GLANCE

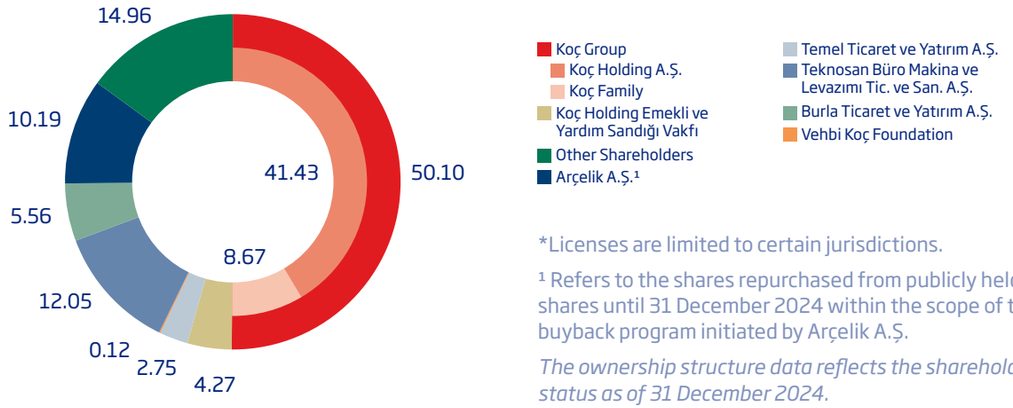
Arçelik serves as the central entity of a global network comprising 124 subsidiaries across 58 countries, with 45 production facilities in thirteen nations and a workforce exceeding 50,000 employees worldwide. The company's portfolio includes renowned brands such as Arçelik, Beko, Whirlpool*, Grundig, 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.[1]	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



*Licenses are limited to certain jurisdictions.

[1] Refers to the shares repurchased from publicly held shares until 31 December 2024 within the scope of the buyback program initiated by Arçelik A.Ş.

The ownership structure data reflects the shareholding status as of 31 December 2024.

GLOBAL OPERATIONS

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.

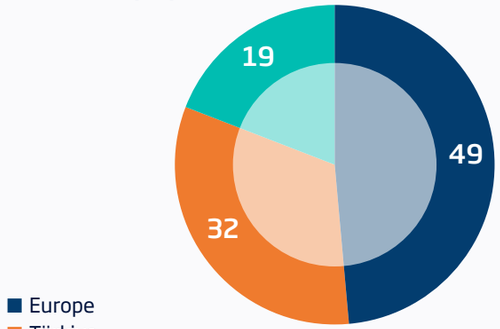
- Production Facilities
- R&D and Design Centers and Offices
- Subsidiaries and Branches
- Partners

FINANCIAL KEY FIGURES

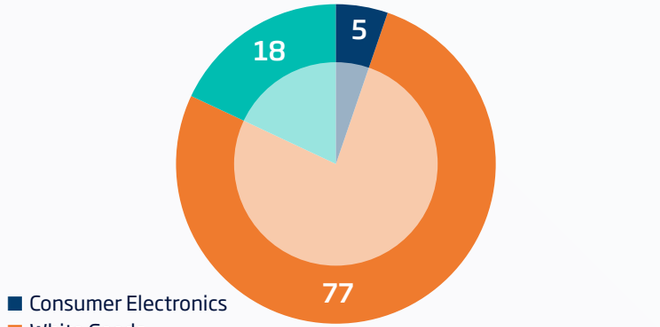
Net Sales
TRY Million

428,548

Geographical Distribution of Net Sales (%)

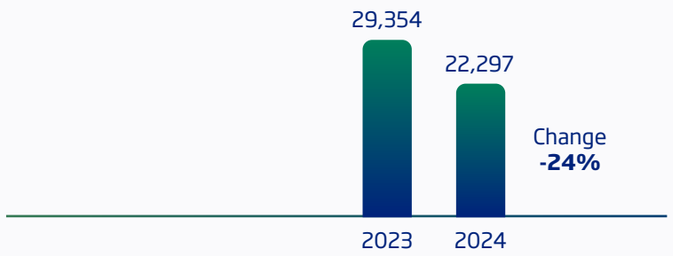


Distribution of Net Sales by Product Group (%)



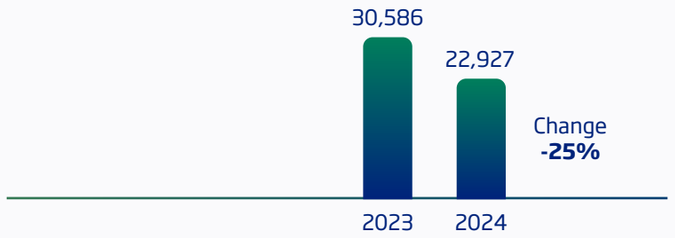
EBITDA
TRY Million

22,297



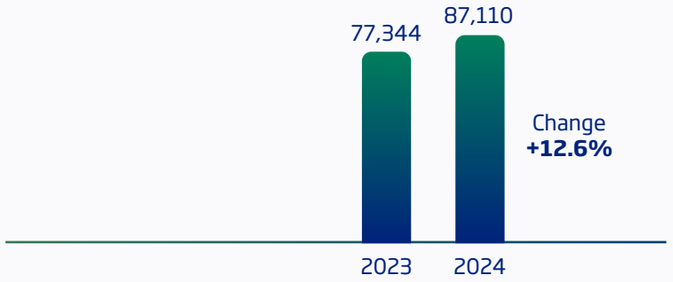
Adjusted EBITDA[1]
TRY Million

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 and 2024 Annual Report.

2024 HIGHLIGHTS

INTRODUCTION
STRATEGIC APPROACH TO SUSTAINABILITY
IN TOUCH WITH OUR PLANET
IN TOUCH WITH HUMAN NEEDS
IN TOUCH WITH BUSINESS
ANNEX

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

Net Sales by product group (TRY)

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_2e** prevented with energy efficiency projects in production processes

90.2 MW_p 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

AWARDS AND RECOGNITIONS

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.**

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

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.

CDP
DRIVING SUSTAINABLE ECONOMIES

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.

MSCI ESG RATINGS AAA
CCC B BB BBB A AA AAA

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.

WORLD ECONOMIC FORUM

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).

SILVER | Top 15%
ecovadis
Sustainability Rating
JAN 2025

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.

BIST SUSTAINABILITY INDEX CONSTITUENT COMPANY

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

Corporate ESG Performance
Prime
RATED BY ISS ESG

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.

TIME
WORLD'S MOST SUSTAINABLE COMPANIES
statista 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.

FTSE4Good

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

LSEG

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

Rated
MORNINGSTAR SUSTAINALYTICS

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.

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.

SUSTAINABLE BUSINESS AWARDS 2024

GLOBAL PARTNERSHIPS AND ENGAGEMENT

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 strategics 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 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. We are one of the signatory companies of the initiative.

- **World Business Council for Sustainable Development (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 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 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 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.

GLOBAL TRENDS SHAPING OUR BUSINESS

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KEY THEMES	KEY TRENDS	IMPLICATIONS FOR OUR COMPANY
ENVIRONMENTAL 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.	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.
SOCIETAL TRENDS	• 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.	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.
DIGITALIZATION & TECHNOLOGY TRENDS	• 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.	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.
STANDARDS & REGULATORY TRENDS	• 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.	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.
ECONOMIC, COMPETITION & GEOPOLITICAL TRENDS	• 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.	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).

BUSINESS MODEL AND VALUE CHAIN

ZOOM-IN TO SEE THE DETAILS

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RELATED CAPITAL	INPUTS	BUSINESS ACTIVITIES	OUTPUTS	OUTCOMES
FINANCIAL CAPITAL IN TOUCH WITH BUSINESS	- TRY 397,726 million Total Assets - TRY 87,110 million Net Debt (excl. lease liabilities) - EUR 350 million Green Bond - USD 500 million Eurobond - TRY 6,073 million Environmental expenditures and investments - Equity	- Risk management - Pricing, sales, and marketing - Systems in investment decisions - Cost reduction - Campaign and promotions	- TRY 428,548 million revenue - TRY 2,207 million at total (net) profit - +15.4% increase in income (net sales) - 8.2% Adjusted EBITDA margin - 26.2% OPEX/sales - 10.5% change in share price	- Sustainable growth - Ensured continuity of operations - Accessing financial funding - Arçelik's market share - Indirect positive economic impact on communities - Increased trust in shareholders and investors
SOCIAL CAPITAL IN TOUCH WITH HUMAN NEEDS	- Over 2,700 Tier-1 material suppliers in more than 60 countries - Customer communication channels - TRY 303,418,606 spent on corporate citizenship activities - Memberships to NGOs, trade association and partnerships with other organizations - Community Development Projects - Efforts on human rights and equal opportunity	- Audits, surveys, and campaigns for stakeholders - Trainings and support for suppliers and dealers - Partnerships and sponsorships	- No supplier contract termination due to incompatibility in 2024 - The average score of customer satisfaction survey: 87% - Within the scope of 500 Women Technicians, 447 women reached - Index scores, recognitions and awards	- Strengthening stakeholder communication - Sustainable brand perception and brand reputation - Sustainable supply chain management - Transparency and reliability - Good customer experience - Social and environmental awareness
NATURAL CAPITAL IN TOUCH WITH PLANET	- 60.5% green electricity usage in all manufacturing operations - 332 energy efficiency projects - 90.2MW$_e$ renewable energy installed capacity - 2,306,361m^3 water withdrawal - 7 water efficiency, reuse, and recycling projects - Shadow carbon pricing and internal water price practices	- Emission reduction operations - Use of alternative and sustainable materials in products - Continuous improvements in Life Cycle Assessment (LCA) - Developing biodiversity focused projects and initiatives	- 59,901 GJ energy saved and 5,800 tCO$_2$e emissions prevented with energy efficiency projects in production processes - 3% reduction of Scope 1-2 GHG emissions - 61.9% of energy efficient products in revenue - 223,650 m^3 water saved and recycled - 148,497 tonnes of waste sent to recycling - Energy or/and water efficient products - 17,163 tonnes of raw material saved in product design	- Contribution towards Net-Zero - Resource efficiency and savings - Supporting the circular economy - Promoting environmental awareness - Responsible sourcing and production - Benefit from internal pricing methodologies
HUMAN CAPITAL IN TOUCH WITH BUSINESS	- More than 50,000 employees worldwide - Average TRY 63,685 hiring cost per FTE - Average TRY 4,006 spent per FTE on learning and development - Global Compliance Program and ethics hotline	- DEI, Human Rights, and OHS structures and policies - Global Human Rights Due Diligence Process - Gender and equal opportunity practices - Committee meetings - Internal Mobility opportunities - Reward mechanisms - Hybrid working model - Part time working options - Employee benefits	- Diverse working environment over 50 countries - 63% open positions filled by internal candidates - 29% women employees - 26% women in management positions - Average 99.5% of gender pay gap - Human capital return on investment: 2.13 - 13,980 employees subjected to regular performance and career development evaluation - 1,166,146 FTE x hours of employee training - 61% global employee engagement rate - 0.89 the Lost Time Injury Frequency Rate for employees - 251 cases reported through hotline channels, 44 were substantiated - 78% of our employees under a collective labor agreement, in global facilities	- Decent and inclusive working environment - Equal pay for equal work - Health and safety of our employees - Talent, performance, and career management - Employee retention - Employee engagement and wellbeing activities
INTELLECTUAL CAPITAL IN TOUCH WITH BUSINESS	- 33 years of R&D experience - 30 R&D and Design centers - 2,200 in R&D centers - TRY 8,154,808 million R&D expenditures - Market reports and customer research - Digital academy platform - Licenses and patents held	- R&D Expenditure - Partnerships and engagements - Information security management systems and agile transformation - Brand road mapping processes	- 71.5% of turnover obtained from low carbon products - Effective management 22 main brands in 58 countries - Connected home appliances - 22 Ongoing Horizon Projects - Over 3,100 international patents - TRY 517.8 million saving achieved with digital transformation projects	- Competitive advantage - Innovative solutions - Business continuity - Highly accessible systems - Transfer of Information
MANUFACTURED CAPITAL IN TOUCH WITH BUSINESS	- 45 production facilities in 13 countries - Nearly 3,000 dealers in Türkiye - 7,900 authorized services in 59 countries - New generation equipment that reduces environmental impact - 2 owned WEEE recycling facilities - Merger with Whirlpool Europe, MENA operations	- Distribution centers to strategic points - Store infrastructure, service improvements, and quality audits for products and services - Dissemination of sustainable stores - Investments for safety, optimization, and transport - Maintenance and repair of equipment	- 1.86 million WEEE units recycled in our recycling plants since 2014 - 2 new manufacturing facilities in Bangladesh and Egypt - 15 new factories added under Beko Europe	- High production capacity - Operational efficiency - Customer access/communication through online channels - Safe working environment

VALUE CHAIN

Governance
Risks & Opportunities
Strategy & Performance

INBOUND LOGISTICS

PRODUCT DESIGN AND RAW MATERIAL SELECTION

PRODUCT DESIGN AND RESEARCH & DEVELOPMENT

Arçelik

is a global home appliances and consumer electronics company which has a fundamental commitment to sustainability

OUR VISION

Our dream is to rejuvenate ourselves and its industry to become a trusted lifestyle solutions provider of the digital household

OUR PURPOSE

"Inspire Sustainable Lives in Every Home"

OUR VALUES

Our corporate values consist of accountability, responsibility, openness, transparency, and equality.

END OF LIFE & RECYCLING

PRODUCT MANUFACTURING

STRATEGIC PRIORITIES

- TRANSITION TO NET ZERO
- GENDER EQUALITY & DIVERSITY
- DIGITAL TRANSFORMATION & INNOVATION
- CIRCULAR ECONOMY
- WATER MANAGEMENT
- SUPPORTING LOCAL COMMUNITIES
- ENSURING HEALTHY LIVES & WELL-BEING FOR PEOPLE
- FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT
- CREATING VALUE IN SUPPLY CHAIN
- QUALITY, SAFETY & CUSTOMER MANAGEMENT

OUR STAKEHOLDERS

EMPLOYEES · SUPPLIERS · B2B CUSTOMERS · B2C CUSTOMERS-CONSUMERS · INVESTORS · GLOBAL PARTNERSHIPS AND NGOs

PRODUCT USE PHASE

PRODUCT PACKAGING

PRODUCT WAREHOUSE & OUTBOUND LOGISTICS

PRODUCT MARKETING & SALES

UPSTREAM · OWN OPERATIONS · DOWNSTREAM

BUSINESS MODEL AND VALUE CHAIN

ZOOM-IN TO SEE THE DETAILS

UPSTREAM

Raw Material Selection

- Selection of raw materials and components, purchase from suppliers
- Prioritizes sustainable options, including recycled, and responsibly sourced materials, to minimize environmental impact and support circularity
- Ensure material choices meet standards for aesthetics, quality, and user safety, while minimizing waste generation through reduced material use
- Work closely with supply chain partners to transform material sourcing practices and minimize value chain and environmental impacts

Inbound Logistics

- Transportation of raw materials and components to Arçelik's manufacturing facilities with a focus on environmentally low-impact logistics
- Prioritize local sourcing and supplier proximity to reduce transport distances and associated greenhouse gas emissions
- Collaborate with logistics partners to improve transparency and data sharing for tracking emissions and emission reduction opportunities

OWN OPERATIONS

Product Design and Research & Development

- Designing innovative, durable, and eco-efficient products and implementation of R&D and innovative solutions
- Apply eco-design criteria
- Design for resource efficiency by optimizing materials, water, and energy use.
- Conduct Life Cycle Assessment (LCA) to identify and reduce the major environmental impacts
- Material reduction to decrease environmental footprint and boost efficiency
- Design for ease of disassembly, repairability, durability, and recyclability to enhance circularity
- Implement modularity and reliability for component upgrades and replacements
- To develop durable, efficient, and safe products
- Ensure cross-functional collaboration to meet sustainability goals

Product Manufacturing

- Production processes with lower environmental impact
- Continue to invest in renewable energy projects
- Expanding green electricity purchases and certificates
- Reduction of GHG emissions in the manufacturing processes
- Water reuse and recycling
- Rainwater harvesting
- Industry 4.0 manufacturing technologies
- Prioritization of smart products integrated with IoT
- Waste and chemical reduction activities
- Health and safety specific projects using AI
- Collaboration with start-ups and suppliers
- Production of energy and water-efficient products

Product Packaging

- Developing sustainable packaging solutions that reduce material use and support recyclability
- Reduce packaging volume and weight
- Use recycled and recyclable packaging material alternatives
- Eliminate Expanded Polystyrene (EPS) with sustainable material options
- Upcycle development in packaging

Product Marketing & Sales

- Promoting energy-efficient, durable, and sustainable products to consumers across global markets, collaborating with organizations on ESG projects
- Improve customer and consumer experience
- Ensure reliability, continuity, and respectability of all marketing and sales channels
- Support sustainable growth with social and environmentally- friendly practices

DOWNSTREAM

Product Warehouse & Outbound Logistics

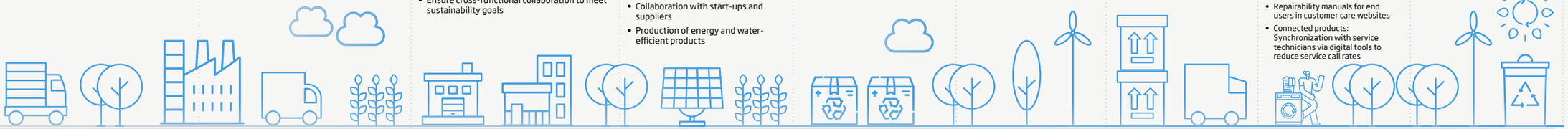
- Storing and delivering finished products using optimized, low-emission logistics
- Reduced costs and GHG emissions through logistics optimization (route optimization, alternative transportations, container adjustments)
- Digital Machinery Safety Systems and Forklift Accident Systems

Product Use Phase

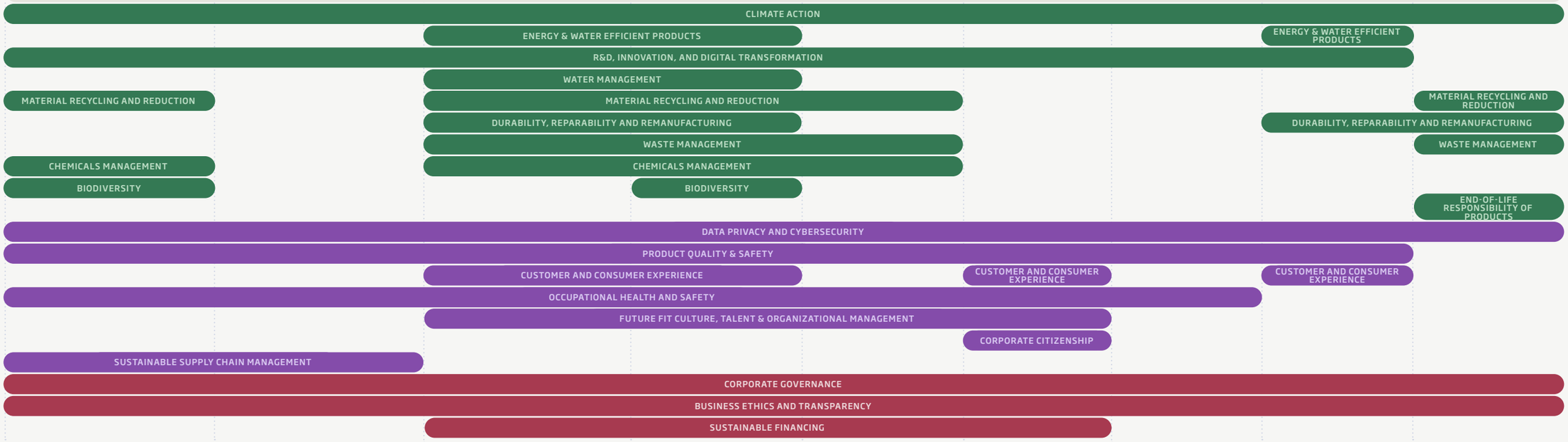
- Ensuring products consume less energy and water during use while extending their life through repair services
- Transparent product information
- Reduce energy consumption during lifetime of the products
- Increase awareness among consumers and influence their product choices for more efficient products
- After-sales services
- Customer Excellence Project: end-to-end customer experience
- Developing solutions to understand consumers' needs and expectations
- Extensive repair network
- Repairability Index working groups for major appliances
- Repairability manuals for end users in customer care websites
- Connected products: Synchronization with service technicians via digital tools to reduce service call rates

End of Life & Recycling

- Collecting and recycling the products at their end-of-life to recover materials and close the loop
- Two WEEE recycling facilities in Türkiye since 2014
- Take-back programs
- Closed loop production: Use of recycled materials in Arçelik products
- Collaboration with suppliers to increase the use of recycled and recyclable materials
- Remanufacturing sites at production plants and refurbishment centers in different countries to give second life to products: Sale of refurbished products



RELATED MATERIAL TOPICS



STAKEHOLDER ENGAGEMENT

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.

STAKEHOLDER ENGAGEMENT

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

MATERIALITY ANALYSIS

Double Materiality Assessment

Recognizing our environmental, social, and business impacts–both positive and negative–allows us to prioritize key areas in our sustainability management. To ensure a comprehensive evaluation, we conduct an annual Double Materiality Assessment (DMA) in line with the European Financial Reporting Advisory Group (EFRAG) methodology outlined in the draft document "Double Materiality Conceptual Guidelines for Standard Setting" and the requirements of the Corporate Sustainability Reporting Directive (CSRD). This assessment examines both impact (inside-out) materiality, which considers our environmental and social impacts on people and the planet, and financial (outside-in) materiality, which evaluates the financial risks and opportunities our business faces due to sustainability-related factors. By integrating this dual perspective, we enhance transparency in external disclosures and make informed strategic decisions. The annual DMA reflects our commitment to adapting to evolving sustainability trends, tracking internal shifts such as operational changes, and responding to external developments, including regulatory changes and global events.

Our sustainability strategy undergoes an annual evaluation based on the findings of the DMA, ensuring that we continuously monitor and assess whether additional policies, actions, or targets are necessary to effectively manage our material impacts, risks, and opportunities. In 2024, the most relevant sustainability topics related to our business model, operations, and value chain are outlined in our DMA matrix.

Since 2022, we have fully integrated the double materiality approach, aligning with global best practices and CSRD requirements. This enables us to assess sustainability topics from both an inside-out perspective, considering their impact on society and the environment, and an outside-in perspective, evaluating their financial implications for our company. Additionally, our dynamic materiality analysis allows us to track shifting priorities based on stakeholder input and business needs, ensuring an accurate and reliable representation of our impacts, risks, and opportunities while strengthening the foundation of our ESG efforts.

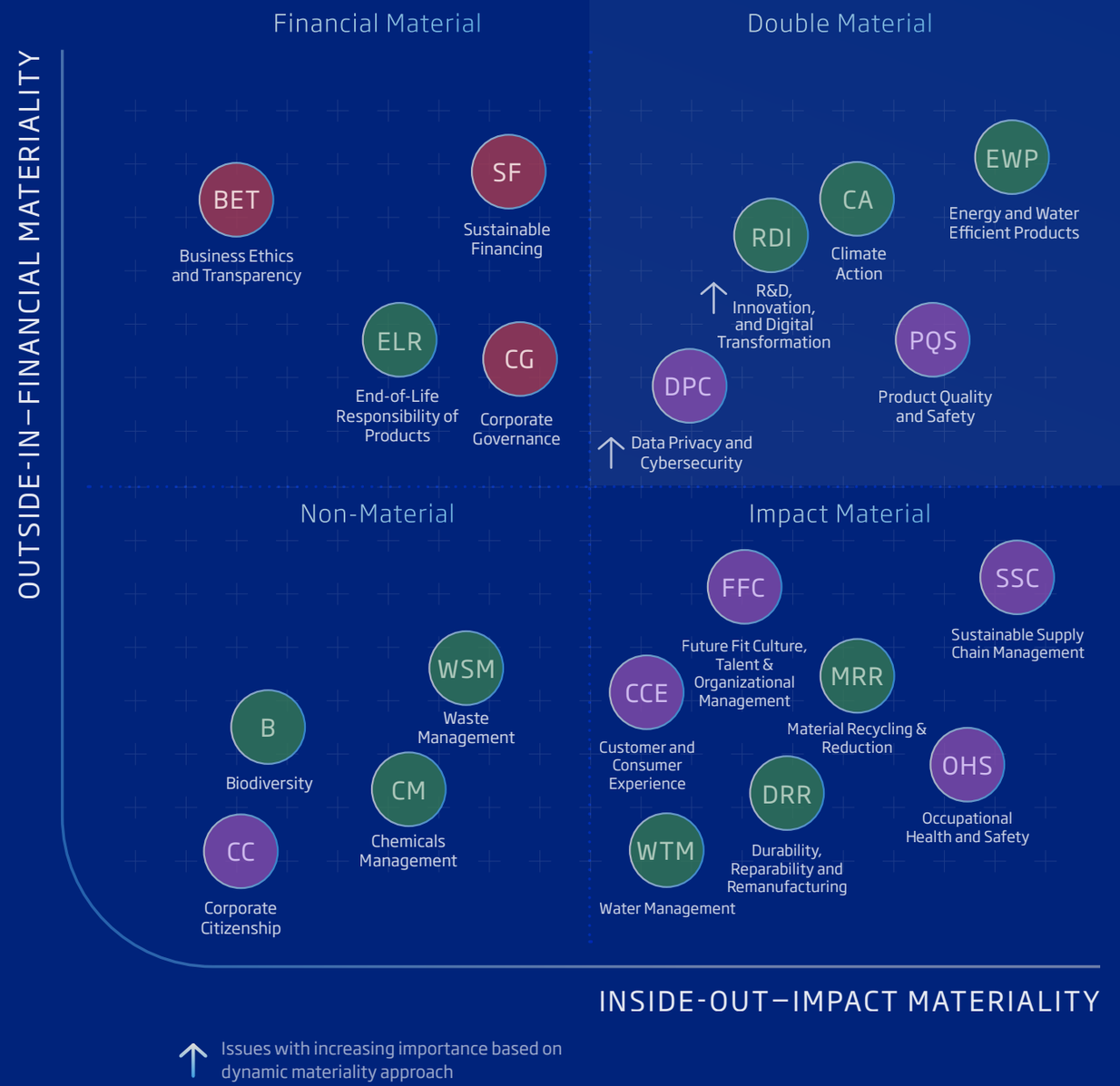
↘ For further information on our DMA methodology, please refer to the Double Materiality Assessment Methodology and Process section of the Report.

The materiality analysis conducted by Arçelik has a third-party assurance.

MATERIALITY ANALYSIS

DOUBLE MATERIALITY ASSESSMENT (DMA) MATRIX

Our materiality matrix offers a comprehensive summary of the key topics identified through the DMA. Topics are categorized as Double Material, Impact Material, Financial Material, and Non-Material based on the assessment and analysis which will be further detailed in the Double Materiality Analysis Methodology and Process Section below. 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.



MATERIALITY ANALYSIS

Material Topic Definitions and ESRS Topics Mapping

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

MATERIALITY ANALYSIS

Double Materiality Assessment Methodology and Process

Our Double Materiality Assessment (DMA) methodology is developed in alignment with the disclosure requirements of the European Sustainability Reporting Standards (ESRS) and follows the approach recommended by the European Financial Reporting Advisory Group (EFRAG) in the draft document "Double Materiality Conceptual Guidelines for Standard Setting." The interpretation of relevant legislation informs key aspects of our process, including stakeholder engagement and materiality threshold decisions. To ensure objectivity, no preconceived assumptions are applied when identifying impacts, risks, and opportunities (IROs). Instead, we actively seek input from a diverse range of internal and external stakeholders, incorporating multiple perspectives to enhance the comprehensiveness of our assessment. By fostering collaboration between these groups, we mitigate potential biases and address knowledge gaps in both our process and findings. Each sustainability priority is evaluated through a dual perspective: financial materiality, which examines the external factors affecting our company's financial performance (outside-in), and impact materiality, which assesses our company's influence on society and the environment (inside-out). In line with EFRAG's framework, a structured double materiality analysis is conducted for each topic, ensuring a rigorous assessment based on defined scoring criteria. This approach ensures that material sustainability topics are disclosed not only in terms of financial risk and performance but also in relation to their broader impact on people and the planet.

Our DMA takes a value chain perspective, assessing IROs across our own operations, upstream suppliers, and downstream stakeholders. This comprehensive approach ensures that material issues are evaluated at every stage of our operations. The assessment follows a structured five-step process, guided by ESRS disclosure requirements, while maintaining compatibility with our organization's operational framework. Impact assessments are conducted with a general geographic scope to ensure a broad yet precise evaluation of sustainability issues.

↘ For further information on our value chain, please refer to the Business Model and Value Chain section of the Report.

MATERIALITY ANALYSIS

Double Materiality Analysis Process

STAKEHOLDER ENGAGEMENT & IDENTIFICATION OF MATERIAL SUSTAINABILITY TOPICS AND RELATED IROS

The Company conducts an annual review of its business model and value chain, ensuring a comprehensive understanding of key internal and external stakeholders across the upstream and downstream value chain. This process involves mapping stakeholder relationships and continuously monitoring sustainability-related topics and trends through our in-house sustainability team.

To identify relevant sustainability matters, we gather insights from various sources, including news, regulatory updates, local and international standards, academic studies, and industry reports. Key benchmarks include the UN Sustainable Development Goals (SDGs), WEF Global Risks Report, The Value Reporting Foundation Framework, EU CSRD, IFRS ISSB, GRI, CDP, TCFD, and SASB. Once broader sustainability trends are identified, topics are assessed based on their relevance to the Company's business operations.

In developing the final list of sustainability matters for the Double Materiality Assessment (DMA), we incorporate internal and external insights. These include industry specific sustainability benchmarks, and internal evaluations. As a result, 20 key sustainability topics were identified and evaluated. The final list is validated by internal subject matter experts, who assess each topic's impacts, risks, and opportunities (IROs) from both an impact materiality and financial materiality perspective.

To gather diverse insights, stakeholder surveys were conducted based on the defined material topics. Contributors included B2B and B2C customers, employees, suppliers, dealers, authorized service providers, investors, private sector peers, public institutions, scholars, media, and students. In parallel, C-level executives (CXOs) participated in surveys focused on these material topics.

↘ For further information, please refer to the Stakeholder Engagement section of the Report.

MATERIALITY ANALYSIS

IMPACT MATERIALITY ASSESSMENT & METHODOLOGY

Impact materiality evaluates the company's actual or potential effects on the environment and society, considering the likelihood of these impacts occurring in the short, medium, and long term. This assessment involves examining both positive and negative impacts on people and/or the environment. For Impact (Inside-Out) Materiality, to determine the severity of actual and potential negative impacts, three parameters–scale, scope, and remediability–are used for scoring.

- **Scale of Impact:** how grave (or beneficial) the impact is to people and the environment,
- **Scope of Impact:** how widespread the impact is, and
- **Remediability (or irremediable character) of Impact:** whether the negative impact can be reversed and how difficult or costly it is to do so within the given time frame.

The overall Environmental & Social (E&S) impact score is the sum of the scores for scale, scope, and remediability. Sustainability issues are considered impact material for reporting if their related impact score meets or exceeds the threshold set by the EFRAG methodology.

The sustainability issues assessed as "Impact Material" and "Double Material" can be seen in the DMA Matrix.

FINANCIAL MATERIALITY ASSESSMENT & METHODOLOGY

Financial materiality focuses on the sustainability-related risks and opportunities that could impact the company's financial performance, considering the size of the financial effect, likelihood, and potential impact on the company's reputation. The financial materiality assessment takes an outside-in approach, identifying risks and opportunities that could influence the company's financial position, performance, or cash flows over the short, medium, and long term. To ensure a comprehensive evaluation, the identification and assessment of potential financial triggers were conducted, starting with the "capitals" the organization relies on financial, manufactured, natural, intellectual, human, and relationship capitals. Each topic was analyzed in the context of these capitals. For Financial (Outside-In) Materiality, topics were scored based on two key perspectives:

- **Continuation of Resource Use:** refers to the company's ability to maintain access to the resources, including its workforce, necessary for its operations, and
- **Reliance on Relationships:** refers to the organization's ability to continue relying on the relationships essential to its production process, maintaining the same terms as currently exist, or whether the organization's practices may provoke an adverse response.

The financial impact score was determined by taking the maximum of the two scores: total continuation of resources or reliance on relationships. Sustainability issues are considered financially material for reporting if their related impact score meets or exceeds the threshold defined by the EFRAG methodology.

The sustainability issues deemed "Financial Material", and "Double Material" are outlined in the DMA Matrix.

DOUBLE MATERIALITY CONSOLIDATION

The results from the impact and financial materiality assessments are combined to provide a comprehensive overview of the company's impacts, risks, and opportunities. These conclusions are then mapped from the longlist of sustainability matters identified in the first step to pinpoint the material topics for reporting. A sustainability matter is considered double material if it is deemed significant from both an impact materiality and a financial materiality perspective. A sustainability matter is considered impact material if it is deemed to have significant effects on the environment, society, or stakeholders, even if its financial impact is relatively less significant. A sustainability matter is considered financial material if it is expected to significantly affect the company's financial performance, cash flows, or reputation, regardless of its environmental or social impact.

MANAGEMENT VALIDATION

The Board of Directors (BoD) has rreviewed, approved, and signed off the outcomes of the materiality analysis, including the double materiality approach. The BoD also oversees the Company's performance on material sustainability impacts, risks, and opportunities (IROs) and approves the strategic direction, targets, and annual double materiality assessment (DMA) results.

MATERIALITY ANALYSIS

Dynamic Materiality

Dynamic materiality involves continuously reassessing what is considered material in sustainability reporting, recognizing that issues can shift over time due to changes in regulations, stakeholder expectations, and market conditions. This annual analysis tracks these changes to ensure reporting stays aligned with current conditions. Influenced by frameworks like SASB, GRI, TCFD, and ESRS, it ensures that what may be financially immaterial today can become material tomorrow.

To reflect the evolving landscape, we evaluate the changing significance of issues based on stakeholder and management input, comparing them to the 2023 assessment. When calculating dynamic materiality, we measured the increase or decrease of topics compared to 2023. The sustainability matters with increasing importance based on dynamic materiality assessment for our business are shown in the DMA matrix.

MATERIALITY ANALYSIS

Business Case and Impact Valuation Related to Material Topics

We outline material issues with the highest priority levels emerged from our Double Materiality Analysis (DMA) and identify the business cases and impact of these issues throughout the value chain to build a concrete evaluation and roadmap.

Outstanding Material Issues According to Our Double Materiality Analysis

	Energy and Water Efficient Products	Climate Action	Sustainable Supply Chain Management
Risk / Opportunity	"Energy and Water Efficient Products" is categorized as double material both from the inside-out and outside-in impact evaluations. Please see the Double Materiality Matrix.	"Climate Action" is categorized as double material both from the inside-out and outside-in impact evaluations. Please see the Double Materiality Matrix.	"Sustainable Supply Chain Management" is categorized as impact material from the inside-out and outside-in impact evaluations. Please see the Double Materiality Matrix.
Business Case	With the deepening of the climate crisis, various investors, strategic retail channels and regulations demand a decrease in environmental footprint from their business partners. As the energy and water consumption of the Company's products significantly contribute to its global impact, introducing eco-efficient products is essential. Additionally, growing consumer awareness and concern for environmental issues have increased demand for sustainable products. Failure to meet this demand risks damaging relationships with key business partners and losing market share. However, the Company has set science-based targets to reduce both product energy consumption, creating opportunities to strengthen business partnerships. To meet sustainability expectations, the Company continues to invest in its operations. While the production of eco-efficient products increases costs, these expenses may not always be recoverable in all markets, potentially affecting revenue. If R&D and innovation costs are not managed effectively, this could further pressure profitability and limit the Company's ability to scale such products competitively. Nevertheless, expanding the sale of sustainable products presents a strong growth opportunity, particularly in emerging markets where demand for eco-friendly appliances is rising.	Climate change poses significant risks for businesses, including increased stakeholder scrutiny, evolving market expectations, and the introduction of regional and international regulations–such as the Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM)–which are expected to increase operational costs. However, by effectively navigating these regulatory challenges, the Company can gain a competitive advantage. Investors and B2B partners increasingly evaluate climate-related risks in trade relationships, expecting businesses to take decisive action. Ineffective climate management could result in higher regulatory costs and weakened business partnerships. To mitigate these risks, the Company has implemented a comprehensive climate strategy and assesses alternative climate scenarios to anticipate and prepare for potential transition risks. The Company closely monitors its greenhouse gas emissions and has publicly disclosed its reduction targets. Managing climate-related impacts requires substantial investment in energy-efficient product development, process efficiency, renewable energy projects, green electricity procurement, and waste reduction initiatives. While these measures increase costs, they also create long-term business opportunities by reducing future regulatory expenses, such as carbon taxes and CBAM, while enhancing the Company's reputation among business partners.	The Company operates a vast and complex supply chain, working with suppliers across multiple regions. It maintains purchasing offices in 10 countries and sources materials from over 60 nations. In 2024, its global procurement network included nearly 2,700 direct material suppliers, with total purchasing expenditures–covering indirect and investment-related acquisitions–reaching approximately EUR 7 billion. Given this scale, managing a sustainable supply chain is a critical business priority. Any environmental or social non-compliance by suppliers could damage the Company's reputation. To mitigate these risks, the Company has developed an internal supplier index that collects ESG data and supporting documentation through an online survey. Supplier performance is verified by an independent accredited audit firm, and suppliers are subject to third-party on-site ethical audits. Based on audit results, corrective actions are recommended, and contracts may be terminated if necessary. Additionally, managing supplier emissions is vital for the Company's net-zero targets. To support this, the Company has implemented an Environmental Data Collection and Monitoring Process and requires suppliers to manage their environmental impact through ISO 50001 and ISO 14001 standards.
Business Impact	Despite possible cost-up per product, eco-efficient products are expected to have a net positive impact on revenue by strengthening the Company's brand positioning, expanding market reach, and enabling price increases. Additionally, the Company will be better positioned to meet the growing demands of customers and strategic partners.	Despite possible cost-ups due to investments required for compliance with climate regulations and to meet the expectations of investors and business partners, the increased market reach of the Company's brands and products, along with new business partnerships fostered by a strong reputation for climate-conscious investments, is expected to drive revenue growth.	Despite possible cost-ups from supplier monitoring and auditing efforts, effective supply chain management helps prevent reputational risks associated with environmental or social misconduct in the value chain and ensures compliance with Scope 3 reduction targets by improving supplier performance. Moreover, raising supplier awareness and enhancing their processes create operational synergies, enabling the Company to develop proactive strategies to address current and upcoming regulations, such as CBAM, the German Supply Chain Act, and the EU CSRD.
Business Strategies	The Company's officially validated Science Based Targets include reducing Scope 3 GHG emissions from the use phase of sold products. To achieve these targets, the Company is focused on increasing the market penetration of energy- and water-efficient products, phasing out high Global Warming Potential (GWP) products, and implementing advanced heating technologies with higher performance. In 2024, 61.9% of the Company's revenue was generated from the sales of energy-efficient products, and the average energy consumption of refrigerators and dishwashers was reduced by 0.8% and 4.9%, respectively, compared to the previous year. The Company offers eco-efficient products across multiple categories, including dryers, dishwashers, freezers, refrigerators, air conditioners, ovens, televisions, washer-dryers, washing machines, electric storage water heaters, and range hoods.	The Company's climate action strategy prioritizes manufacturing energy- and water-efficient appliances, improving efficiency in production, establishing renewable energy systems, utilizing green electricity, and implementing effective water management. As part of this strategy, the Company invests in renewable energy, and conducts sustainable water management initiatives. Additionally, the Company responsibly manages its Waste Electrical and Electronic Equipment (WEEE) and actively works to monitor and reduce its climate impact across the value chain. It encourages suppliers to commit to setting their own GHG emission reduction targets and collects emissions data from them. The Company is also working to reduce emissions from logistics operations. At the corporate level, its climate-related policies include the Climate Change Strategy, Global Environmental Policy, Energy Policy, and Policy on Industry Association Memberships.	The Company upholds a Global Responsible Purchasing Policy, requiring suppliers to comply with all applicable regulations and adhere to the Company's values. This policy is mandatory, and the Company reserves the right to terminate contracts in cases of serious violations. To mitigate risks associated with conflict minerals, the Company enforces its Conflict Minerals Policy and ensures that suppliers operate in accordance with international standards, including the ILO Declaration on Fundamental Principles and Rights at Work, the UN Declaration of Human Rights, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights. Additionally, the Company collects commitments from suppliers regarding environmental impact through a formal commitment letter signed by the CEO, Chief Purchasing and Supply Chain Officer, and Chief Marketing Officer. To date, 194 suppliers have signed this letter, pledging to set targets for GHG emission reduction, water conservation, waste reduction, and energy efficiency. A total of 79 suppliers set long-term GHG emission/water/waste/ energy related targets as of the end of 2024.

MATERIALITY ANALYSIS

Business Case and Impact Valuation Related to Material Topics

Outstanding Material Issues According to Our Double Materiality Analysis

	Energy and Water Efficient Products	Climate Action	Sustainable Supply Chain Management
Targets and Metrics, Target Year and Progress	The Company aims to reduce Scope 3 emissions from the use phase of sold products in alignment with its under-approval 1.5-degree Science Based Targets (SBTs). Additionally, it has set a goal to reduce water withdrawal per product by 10% across all manufacturing facilities by 2030. To achieve these targets, the Company invests in research and development (R&D) projects focused on developing products and technologies with lower energy consumption. For further information, please refer to the Sustainability Targets, Annex 5. Sustainability Targets and Progress, and In Touch with Planet sections of the Report.	The Company plans to establish renewable energy systems with a total capacity of 100 MW_p, procure 100% green electricity, and reduce energy consumption per product by 15% by 2030. Additionally, it aims to reduce Scope 1, 2, and 3 use phase GHG emissions by 42% by 2030 and scope 1,2 and 3 emissions by 90% by 2050 from a 2022 base year in accordance with its officially validated 1.5-degree SBTs by the SBTi. It also aims to decrease water withdrawal per product by 10%, increase the water recycling and reuse ratio to 25%, and raise the waste recycling rate to 99% across all manufacturing facilities by 2030. For further information, please refer to the Sustainability Targets, Annex 5. Sustainability Targets and Progress, and In Touch with Planet sections of the Report.	The Company is committed to ensuring that suppliers exceeding 500 ToE obtain ISO 50001 certification by 2030. It has also set a target to ensure suppliers use 100% green electricity by 2030. Furthermore, the Company aims for all suppliers that have signed its Commitment Letter to establish and publicly disclose their own sustainability targets. For further information, please refer to the Sustainability Targets, Annex 5. Sustainability Targets and Progress, and Sustainable Supply Chain Management sections of the Report.
Executive Compensation	The Company has set the target of "Reducing Scope 3 GHG Emissions from the Use Phase," which is integrated into the scorecards of the CEO, CFO, Chief Technology Officer, Chief Marketing Officer, Chief Sustainability, Quality & Customer Care Officer, Europe Chief Commercial Officer, as well as relevant Executive Directors and Business Unit Managers. The achievement of this target, along with other sustainability-related KPIs, is indirectly linked to annual compensation and bonuses.	The Company has also established the targets of "Reducing Scope 1 and 2 GHG Emissions" and "Reducing Scope 3 GHG Emissions from the Use Phase." These objectives are embedded in the scorecards of the CEO, CFO, Chief Technology Officer, Chief Marketing Officer, Chief Sustainability, Quality & Customer Care Officer, Chief Commercial Officer - Asia Pacific, and other relevant Executive Directors and Business Unit Managers. The achievement of this target, along with other sustainability-related KPIs, is indirectly linked to annual compensation and bonuses.	Additionally, the Company has introduced the target of "Integrating Sustainability into the Supply Chain," which is included in the scorecards of the CEO, CFO, Chief Sustainability, Quality & Customer Care Officer, Chief Purchasing & Supply Chain Officer, Chief Production & Technology Officer, and other relevant Executive Directors and Business Unit Managers. The achievement of this target, along with other sustainability-related KPIs, is indirectly linked to annual compensation and bonuses.

Impact Valuation of Significant Material Issues

	Energy and Water Efficient Products	Climate Action
Material Issue for External Stakeholder	Nearly 40% of household energy consumption comes from the use of electronic appliances. This is a significant part of the Company's environmental footprint, as approximately 80% of its Scope 3 GHG emissions stem from the use phase of its products throughout their lifetime. Therefore, increasing the sales of eco-efficient products would positively contribute to climate transition efforts and create a meaningful impact on external stakeholders.	E-waste is the fastest-growing waste stream and is expected to reach approximately 82 million tonnes by 2030, representing a 33% increase from 2022 levels*. Large home appliances account for more than half of all e-waste collected. Improper recycling of electronic waste can lead to the release of harmful chemicals into the environment. Additionally, e-waste contains valuable materials such as silver, platinum, and copper. If these metals are not properly recovered and recycled, the extraction of virgin materials leads to increased emissions. Therefore, effective Waste Electrical and Electronic Equipment (WEEE) management not only benefits the environment but also enhances health and safety conditions for those involved in the recycling process, creating a positive impact on external stakeholders.
Cause of Impact	With all our brands globally, the increased sales of eco-efficient products will contribute to reducing energy consumption and associated carbon emissions worldwide. This positive impact originates from the products and services segment of the business value chain and accounts for more than 50% of overall business activity.	The Company conducts take-back campaigns, replacing old appliances with more energy-efficient ones to help lower emissions. As the only home appliance manufacturer in Europe with its own WEEE recycling plants, the Company recovers materials while ensuring proper recycling in compliance with health and safety regulations. Since the Company directly manages WEEE recycling operations in Türkiye, the positive impact from this initiative covers less than 50% of its business activity.
External Stakeholder Evaluated	The impact of energy efficient products is assessed with respect to the environment, society, consumers, customers, and employees.	The impact of enhanced end-of-life responsibility for products is evaluated considering the environment, society, consumers, customers, and employees.

*UNITAR, ITU, & UNU. (2024). The Global E-waste Monitor 2024: Electronic waste rising five times faster than documented e-waste recycling (2nd ed., November 2024). United Nations.

MATERIALITY ANALYSIS

Business Case and Impact Valuation Related to Material Topics

Impact Valuation of Significant Material Issues		
	Energy and Water Efficient Products	Climate Action
Topic Relevance on External Stakeholders	The Company is committed to raising consumer awareness about making informed decisions when choosing products and using them efficiently to reduce energy consumption. The Beko Shed That Carbon campaign is dedicated to educating consumers on adopting long-term, resource-efficient habits to minimize environmental impact. As demand for household appliances, particularly refrigerators and air conditioners, continues to rise–especially in developing regions–eco-efficient products will contribute positively to both the environment and society. By preventing additional GHG emissions that would otherwise be released if such energy efficiency measures were not in place, these products help mitigate carbon-related environmental degradation and associated societal challenges, including health issues, migration concerns, and labor productivity declines caused by extreme weather events linked to climate change.	Replacement of old products with energy and water efficient ones helps decrease energy and water consumption stemming from these products during their use phase. Proper dismantling and recycling of household appliances enables the recovery of valuable metals and plastics, reintegrating them into the economy and reducing the need for virgin materials–thereby avoiding emissions generated from raw material extraction. Moreover, safe recycling practices protect the health and safety of those working in the e-waste sector. Since 2014, the Company has recycled approximately 1.86 million WEEE units in its recycling plants, saving 543 GWh of energy between 2014 and 2024 by replacing old, high-energy-consuming appliances with energy-efficient alternatives. These efforts significantly contribute to reducing additional GHG emissions.
Output Metric	The use of eco-efficient products leads to significant energy savings compared to less efficient alternatives. The amount of energy-saving thanks to the Company's eco-efficient products are calculated in terms of Avoided GHG emission. Avoided GHG Emission in 2024: 581,044 tCO_2e.	The Company has two WEEE Recycling Plants, Eskişehir and Bolu in Türkiye. In 2024, materials such as metal, plastic, copper, glass from old products have been recycled in these plants and brought back into the economy for reuse. Using these recycled materials instead of virgin materials avoids additional GHG emissions. Avoided GHG emissions in 2024: 9,662 tCO_2e.
Impact Valuation	Social cost of carbon**	Social cost of carbon**
Impact Metric	Social cost avoided***: USD 110,398,360	Social cost avoided***: USD 1,835,780

**Social cost of carbon is taken as 190 USD per tonne based on the estimates from Environmental Protection Agency's Social Cost of Greenhouse Gases Report published in November 2023.

***Social cost avoided is calculated with the following formula: Avoided GHG emission x Social cost of carbon.

MATERIALITY ANALYSIS

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.

MATERIALITY ANALYSIS

Material Impacts, Risks and Opportunities (IROs)

					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.	■	■				■

MATERIALITY ANALYSIS

Material Impacts, Risks and Opportunities (IROs)

					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
R&D, Innovation and Digital Transformation	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.	■	■	■		■	■
Water Management	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.		■			■	

MATERIALITY ANALYSIS

Material Impacts, Risks and Opportunities (IROs)

					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
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.	■	■	■	■	■	■

MATERIALITY ANALYSIS

Material Impacts, Risks and Opportunities (IROs)

					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.	■	■	■		■	■

MATERIALITY ANALYSIS

Material Impacts, Risks and Opportunities (IROs)

					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.	■			■	■	■

CLIMATE-RELATED RISKS AND OPPORTUNITIES

RISK AND OPPORTUNITY DEFINITIONS

Risk and Opportunity Evaluation Criteria: Arçelik defines its significant sustainability-related risks and opportunities with their place within the value chain, type (physical/transition), primary potential financial impact, time horizon, likelihood and magnitude and impact figure. The criteria according to which Arçelik defines its risks are:

Place of risk/opportunity in the value chain	
Upstream	Processes at the early stages of the value chain, including the supply, purchasing, and transportation of raw materials and components to our production facilities.
Own Operations	Production processes directly linked to our internal business operations, including manufacturing, logistics, and corporate functions.
Downstream	Processes at the final stages of the value chain, including the distribution, sale, use, and end-of-life treatment of our products and services by customers, business partners, and end-users.

Risk type		
Physical Risks	Acute	Short-term, extreme weather events intensified by climate change
	Chronic	Long-term shifts in climate patterns
Transition Risks	Policy Risk	Arising from current or future climate-related regulations
	Technology Risk	Associated with emerging or disruptive low-carbon technologies
	Legal Risk	Associated with litigation or liability related to climate change
	Market Risk	Driven by shifts in supply and demand due to climate change or sustainability trends
	Reputation Risk	Associated with brand value and trust due to perceived failure to address climate or environmental issues
Critical	Risks arising from broader environmental, social, or governance issues beyond climate change	

Magnitude of Risk	
Low	1% decrease in EBITDA
Moderate	1%-3% decrease in EBITDA
High	3%-5% decrease in EBITDA
Severe	5%-10% decrease in EBITDA
Critical	10% decrease in EBITDA

Magnitude of Opportunity	
Low	1% of EBITDA
Medium-low	1%-3% of EBITDA
Medium	3%-5% of EBITDA
Medium-high	5%-10% of EBITDA
High	10% of EBITDA

Time horizon		
Short-term	1-3 years	The short-term horizon encompasses a one to three-year period, focusing on immediate and near-term objectives. This timeframe involves tactical initiatives and operational priorities that are closely aligned with the Company's corporate strategy and support timely strategic decisions.
Medium-term	4-10 years	The medium-term horizon covers a period of four to ten years and is characterized by strategic initiatives and capacity-building efforts. These are developed in alignment with the Company's corporate strategy and guide medium-term strategic planning and resource allocation.
Long-term	11-30 years	The long-term horizon spans eleven to thirty years, addressing transformational ambitions and systemic evolution. This extended outlook reflects visionary planning fully integrated with the Company's corporate strategy and informs long-term strategic decision-making.

Likelihood	
Virtually certain	Expected to occur in most circumstances
Very likely	Highly probable, there is a strong basis for expecting it to occur
Likely	Probable and could occur under normal conditions
More likely than not	More probable than improbable
About as likely as not	Likelihood is approximately even
Unlikely	Not expected but is still possible under specific conditions
Very unlikely	Not probable and would occur only under exceptional circumstances
Exceptionally unlikely	Rare or unprecedented

Type of Impact	
Actual	Already occurred or is currently being experienced
Anticipated	Expected to occur in the future, based on current trends, forecasts, or scenario analyses

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Scenario Analyses

While deciding on robust strategies over climate-related risks & opportunities, the Company considers the IPCC's low (RCP2.6), moderate (RCP 4.5) and high (RCP 8.5) scenarios, which are mainly depending on the global warming levels by 2100, together to decide on the company's short, medium and long-term targets. We assess our risks according to these scenarios via following tools:

- The policy, market, legal, reputation, and technology risk analyses are conducted company-wide by leveraging the Company's internal expertise and utilizing the International Energy Agency (IEA) scenarios: the Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS), and the Net Zero Emissions by 2050 Scenario (NZE Scenario).
- For physical risk, including both acute and chronic aspects, external and Arçelik internal expertise have been used considering different tools including three IPPC aligned Shared Socioeconomic Pathways (SSPs) (SSP1-2.6, SSP2-4.5, and SSP5-8.5, representing warming levels of approximately 1.5-2°C, 3°C, and 5°C by 2100, respectively), WRI Aqueduct (RCP 2.6, RCP 7.0, and RCP 8.5 represent pathways consistent with approximately 1.5-2°C, 3.5°C, and 4.5-5°C of warming by 2100, respectively) and WWF Water Risk Filter.

Scenario analysis enables the Company to explore different potential future pathways to assess the resilience of its strategy and operations. Through the application of these sustainability and climate-related scenarios, the Company identifies and assesses both transition and physical sustainability and climate-related risks and opportunities across its operations and value chain. The Company has selected these scenarios to be aligned with the 1.5 °C global warming target and ensure preparedness for different temperature increases. These scenarios were chosen specifically because they provide relevant frameworks that align with the white goods sector's sustainability challenges and opportunities and reflect the key regulatory and market dynamics in the regions where the Company operates.

	Stated Policies Scenario (STEPS)	Announced Pledges Scenario (APS)	Net Zero Emissions by 2050 Scenario (NZE)
Policies	Only currently announced and implemented policies	Aligned with NDCs, lower but still substantial warming	Paris-aligned pathway, stringent mitigation
Global Warming	around 2.5-2.7°C by 2100	~2.0°C by 2100	~1.5°C by 2100
Gross Domestic Product (GDP) & Economic Growth	• Global GDP around ~2.5% per year (2023-2050) • Impact of climate change is not directly modeled in GDP. • Developing economies, particularly in APAC and Africa, will see higher-than-average growth due to expanding energy access, industrialization, and demographic trends. • Slower access to electricity globally, compared to APS/NZE scenarios. • Slower access to electricity globally, compared to APS/NZE scenarios.	• Global GDP around ~2.6-2.7% per year (2023-2050) • Economic losses from global warming will be lower than in higher-emissions scenarios (e.g., STEPS), significant climate-related risks will still pose threats to growth and supply chains. • Developing economies, particularly in Asia-Pacific and Africa, will experience above-average economic growth, driven by expanded energy access, industrialization, and favorable demographic trends.	• Global GDP around ~2.7% per year (2023-2050) • Global economic risks are lower compared to delayed transition scenarios, due to avoided costs of climate damages. • Growth is enabled by rapid innovation, investment in clean energy, and energy efficiency improvements. • Asia remains a global hub for manufacturing solar panels, batteries, and EVs, driving GDP and trade surplus. • China continues focus on clean manufacturing, CCS, and hydrogen.
Population	World population: ~8 billion (2023) to ~9.7 billion (2050).	Similar trajectory as STEPS, with slightly better access to energy and basic services.	Similar to STEPS and APS.
Inflation	• More volatile and persistent than in APS. • Delays in clean energy scaling • Climate related supply disruptions • Lack of investment in low carbon tech leading to high costs in energy & materials	• Moderate over the long term. • Global energy systems become more diversified and efficient. • Volatility from fossil fuel markets declines • Technological innovation improves productivity.	• Moderating inflation as energy systems stabilize and fossil fuel exposure drops. • High CAPEX in clean energy infrastructure • Declining renewable energy costs

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Scenario Analyses

	Stated Policies Scenario (STEPS)	Announced Pledges Scenario (APS)	Net Zero Emissions by 2050 Scenario (NZE)
Demand for Appliances	• Higher demand for basic and mid-tier appliances (refrigerators, air conditioners, washing machines, etc.). • Strong demand for ACs and refrigerators especially considering higher temperature rates.	• Major demand growth in emerging markets, especially in APAC and Africa, as electricity access improves. • Growing urban middle class fuels higher ownership rates of refrigerators, ACs, washing machines, etc. • Widespread incentives for energy-efficient appliances (MEPS, rebates, tax credits) stimulate upgrades.	• Universal energy access by 2030 (especially in Africa and South Asia). • Increase in demand for home appliances, especially towards energy efficient, smart and electrified products. • Rapid growth in air conditioners in Asia and Africa. • Regulatory push for adoption of best-in-class energy efficient models.
Technological Breakthrough	• No major disruptive technology.	• Inverter technology, smart sensors, and heat pump systems for cooling/heating • IoT integration becomes standard • Growth in AI-driven diagnostics and predictive maintenance to extend appliance life and reduce energy use • Gradual deployment of electric arc furnaces, green hydrogen, and renewable heat in appliance production. • Increase in smart, connected appliances, pressure to invest in R&D and connectivity.	• Advanced grid management via AI based grid flexibility, load balancing via digital twins. • Solar and wind PVs deployed at record speed. • Technological advancements in battery chemistries enabling 7/24 battery supply.
Physical Risks & Implications	• Increase in more frequent extreme weather events and water scarcity. • Regulatory push for adoption of best-in-class energy efficient models. • Operational disruption risks both in own operations and in the supply chain.	• Although less severe than STEPS, climate change risks remain significant. • Still material risks to economies, infrastructure, businesses. • Operational disruption risks due to climate change in own operation and supply chain still remains.	• Physical climate risks are significantly reduced compared to APS and STEPS. • Economic damages from extreme weather events are more manageable than STEPS/APS.
Transition Risks & Implications	• Carbon pricing mechanisms more slowly and at lower levels than APS/NZE Scenarios. Some carbon tax/ETS systems expected but the price of carbon remains relatively low. • Delay in minimum energy efficiency regulations in developing regions where we intend to grow. • Investing in the design and production of energy efficient appliances incurs higher upfront costs. If consumers, particularly in cost-sensitive markets, are unwilling to absorb these additional costs, the Company may face squeezed profit margins or lose its competitiveness.	• Rapid implementation of carbon pricing mechanisms, MEPS, CBAM and ETS across jurisdictions increases operational costs. • Increase in cost of steel, aluminum and semi-conductors due to CBAM. • Increasing costs to produce energy efficient appliances globally on Best Available Technology. Risk of margin loss if costs cannot be reflected on the prices of products. • Different energy labeling, repairability, sustainability criteria along EU, US and China creates complexities. • Increased demand for carbon removal credits puts the prices upwards. • Expansion of EPR schemes and mandatory take back programs, increasing costs. • Risk of penalties or litigation claims due to EU Green Claims Directive. • Mandatory disclosure of digital product passports incl. Repairability, durability, recycled content, energy labels, etc. could increase costs.	• Mandatory adoption of ultra-high efficiency and low-carbon appliance standards by 2030 or earlier in major markets- frequent product redesign cycles & increased R&D costs. • Implementation of high and harmonized carbon prices, reaching over $250/per tCO_2 by 2050. • Access to public procurement and green finance tied to EU Taxonomy or equivalent sustainability performance, creating a pressure for companies to increase best two energy class sales, which is challenging due to the increased costs on product and lack of demand from the market. • Expansion of CBAM-like mechanisms beyond the EU to other jurisdictions where the company operates.
Opportunities	• The rising middle class in APAC and Africa regions presents a strong long-term growth opportunity, particularly for essential appliances like refrigerators and air conditioners. • Expanding our renewable energy solutions, such as solar PV panels, can open up new business opportunities and strengthen the company's sustainability positioning.	• Strong innovative in-house R&D skills to meet the energy efficient product demand and manage the demand growth in developing regions. • Robust and publicly available decarbonization strategy, more than EUR 500 million green investment to meet SBTi targets. • The rapid rise of middle-income consumers and energy access will create strong demand for energy-efficient appliances, presenting new revenue growth opportunities. • The growing demand for repair, refurbishment, and take-back programs will create new business models for the Company.	• Opportunity to generate revenue from top-tier eco labels, increase price index and brand quality, as well as consumer awareness with strong R&D and marketing skills. • Enhanced access to better financing that could reduce cost of capital through ESG linked instruments, tied to increased sale top tier efficient appliances.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED TRANSITION RISKS

Risk 1: Carbon Border Adjustment Mechanism (CBAM)

Risk Description	
Description	The EU Carbon Border Adjustment Mechanism (CBAM), effective since 2023, is in a transition phase until the end of 2025. During this period, importers of specific emission-intensive goods must report their embedded and indirect emissions. Companies will be required to pay a carbon price based on the reported emissions.
Company-specific description	The company operates multiple production facilities across Europe, manufacturing a wide range of home appliances, including refrigerators, cooking appliances, dishwashers, washing machines, and dryers. These facilities are located in Italy, Poland, Romania, and Slovakia, serving the European market. A certain percentage of the steel used in production is imported from outside the EU. As importers, these manufacturing facilities will be required to report the volume and embedded emissions of imported steel during the transition phase, with CBAM certificates needing to be purchased at the respective EU ETS price starting in 2026. The additional cost due to CBAM will raise the cost of carbon-intensive raw materials such as steel and aluminum from non-EU suppliers. These increased input costs may put pressure on our pricing .To remain competitive and compliant, we must integrate carbon management into our sourcing, product design, and supply chain strategies. In addition, it is possible that similar carbon-related regulations may be introduced in other production countries outside the EU, such as Türkiye; however, at this stage, our calculations are limited to the CBAM regulation in the EU.
Related Material Issue	Climate Action
Related Capital(s)	Natural Capital
The area where the risk occurs	Manufacturing facilities located in Italy, Poland, Romania, and Slovakia
Related Value Chain Stage	Upstream
Risk Type	Policy Risk (Transition Risk)
Primary Risk Driver	Changes to international law and bilateral agreements
Primary potential financial impact	Increased indirect (operating) costs
Expected Time Horizon	Short-term
Likelihood	Very likely
Magnitude of impact	Low
Type of impact	Anticipated

Financial Impact of Risk			
Estimated Cost of Risk	TRY 97,729,966 - TRY 206,636,623	**Estimated Cost of Risk Corresponding Item in the Consolidated Financial Table**	Forecast Value - Operating Profit
Calculation Rationale	The risk value has been calculated for 2026 financial year. The assumptions made within the scope of the calculation are as follows: • For CBAM goods, including steel and aluminum used in our production, the tonnage and country of import were determined based on the 2025 budget values. • The potential price of CBAM certificates per kilogram of goods has been calculated based on the embedded emissions from imported goods Starting with a 2.5% reduction in 2026, free allowances under the CBAM framework will gradually decrease, reaching 100% elimination by 2034, in line with the European Union's climate objectives. • To calculate the maximum risk, in addition to the consideration of free allowances, a 15% reduction in emission factor was taken into account, as estimated in the report published by the European Steel Association (EUROFER). • For carbon price forecasting, a carbon price of EUR 65 has been assumed for 2025 as stated in Bloomberg EU ETS Market Outlook. Based on these assumptions, the calculation was performed by multiplying the imported CBAM goods, the country of import, the CBAM certificate value (which varies depending on the goods and country), and the projected carbon price for the respective year. In addition, costs that may arise from the supply chain are not included in the calculation. The calculated risk cost is a forecast. No payment has been made for the 2024 financial year. The CBAM certificate cost is expected to be paid for the first time in 2026; therefore, the financial risk is anticipated to materialize in that year. However, if the Omnibus package is approved, the payment may be postponed to February 2027. Additionally, this value reflects the forecasted financial impact of the risk in 2026, discounted to 2024 using the Weighted Average Cost of Capital (WACC).		
Cost of Response to Risk	TRY 756,115,246	**Cost of Response to Risk Corresponding Item in the Consolidated Financial Table**	Forecast Value - Operating Profit
Calculation Rationale	Although there is currently no real potential to purchase such steel in the market, we assessed the financial impact of purchasing green steel instead of regular flat steel in 2026 while calculating the cost of the risk response. We assumed the price per ton for both regular flat steel and green steel for this period. Our approach was based on sectoral estimations, using current data from the World Steel Association for the forecasted price of regular flat steel and sector intelligence for the projected price of green steel. The estimated steel consumption for the relevant manufacturing facilities in 2026 was then multiplied by the difference between the projected global prices of green steel and regular flat steel. This value represents the forecasted cost of the risk response in 2026, discounted to its 2024 value using the WACC.		
Mitigating Actions of Risk	To reduce CBAM's potential financial impact: • Prioritize sourcing low-carbon/green steel and aluminum while optimizing production processes for energy efficiency and emissions reduction. • Engage suppliers to adopt sustainable practices, reduce their emissions, and align with CBAM requirements to minimize upstream risks. • Integrate carbon management into our sourcing, product design, and supply chain strategies. Ensure compliance through accurate emissions tracking, strategic planning, and collaboration with suppliers and policymakers for long-term risk reduction.		

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED TRANSITION RISKS

Risk 2: Carbon Pricing Mechanisms

Risk Description	
Description	The carbon pricing mechanism is a policy tool designed to reduce greenhouse gas emissions by assigning a cost to emitting greenhouse gases. It primarily takes two forms: emissions trading systems (ETS) and carbon taxes. In an ETS, companies are allocated a limited number of emission allowances which can be bought and sold, creating a market price for emissions. In contrast, a carbon tax imposes a fixed price per ton of emitted CO_2. The core principle is "polluter pays," encouraging businesses to adopt cleaner technologies and reduce emissions. Carbon pricing supports environmental sustainability and promotes investment in innovation. For companies, rising carbon prices can significantly affect operational expenses and competitiveness.
Company-specific description	Currently, we have no financial obligations under carbon pricing schemes, as our industry and energy consumption levels are not subject to such mechanisms in the countries where they are in place. On the other hand, as a manufacturing company operating in Türkiye, we are closely following the upcoming implementation of the Emissions Trading System (ETS), which is scheduled to begin with a pilot phase in 2025. Moreover, Pakistan is preparing to launch a national carbon registry in 2025, while Bangladesh and Russia are in earlier phases, focusing on pilot programs and institutional readiness for future emissions trading systems. An increasing decarbonization efforts accelerate the use of these mechanisms. If we get involved in such mechanisms, the additional cost that we face might create a disadvantage for our cost-competitiveness. In order to be ready for such regulations and minimize the potential financial burden we might face in the future; we take action to reduce our Scope 1-2 GHG emissions globally.
Related material Issue	Climate Action
Related capital(s)	Natural Capital, Financial Capital
The area where the risk occurs	All manufacturing facilities
Related value chain stage	Direct operations
Risk type	Policy risk (Transition risk)
Primary risk driver	Carbon pricing mechanisms
Primary potential financial impact	Increased indirect (operating) costs
Expected rime horizon	Medium-term
Likelihood	Unlikely
Magnitude of impact	Low
Type of impact	Anticipated

Financial Impact of Risk			
Estimated cost of risk	TRY 72,878,311 - TRY 116,418,009	**Estimated Cost of Risk Corresponding Item in the Consolidated Financial Table**	Forecast Value - Operating Profit
Calculation rationale	The estimated Scope 1- 2 emissions for the year 2030 have been calculated based on projected on-site renewable energy systems, green electricity purchases and energy efficiency projects. The total financial impact has been estimated by multiplying the projected Scope 1-2 emissions with forecasted carbon prices in 2030. Accordingly, the assumptions outlined below were considered in the calculation: • An unlikely scenario of the Company being subjected to carbon pricing mechanism in 2030, • Net Zero Emissions (NZE) scenario, APS scenario and STEPS scenario being applied to all our factories with respect to their location. After the calculations, the APS and STEPS scenarios provided us with the minimum and maximum values. The estimated cost of risk represents the potential cost in 2030, discounted to its 2024 value using the WACC.		
Cost of response to risk	TRY 1,248,175,549	**Cost of Response to Risk Corresponding Item in the Consolidated Financial Table**	General administrative expenses, Cash outflows from purchases of property, plant and equipment and intangible assets
Calculation rationale	The cost of response to risk has been calculated as the total cost of on-site and off-site renewable energy systems, green electricity certificates, energy efficiency projects in 2024. While not initiated solely in response to this specific risk, these investments support risk management and reflect the Company's broader strategic approach to staying aligned with stakeholder expectations.		
Mitigating actions of risk	The company continues to invest in on-site renewable energy systems, green electricity certificates as well as energy efficiency projects in order to decrease its Scope 1-2 emissions and minimize its potential financial risk. The Company has its publicly available 2030 and 2040 targets to amplify its efforts in this regard.		

CARBON PRICES IN 2030 (USD PER tCO_2)

Stated Policies Scenario	
European Union	140
China	39

Announced Pledges Scenario	
Advanced economies with net zero pledges	135
Selected emerging market and developing economies with net zero emissions pledges	40
Other emerging market and developing economies	0

Net Zero Emissions by 2050 Scenario	
Advanced economies with net zero pledges	140
Selected emerging market and developing economies with net zero emissions pledges	90
Selected emerging market and developing economies without net zero emissions pledges	25
Other emerging market and developing economies	15

From IEA World Energy Outlook 2024

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED TRANSITION RISKS

Risk 3: Meeting the Scope 3 Use Phase Science Based Target

Risk Description	
Description	As part of the global transition to net zero emissions, companies must meet ambitious sustainability targets aligned with the Science Based Targets initiative (SBTi). The risk arises from the need to meet these targets while balancing increasing efficiency with the associated cost challenges.
Company-specific description	The Company is committed to being a Net Zero company in 2050 according to the Science Based Targets Net Zero Standard and set a 1.5° aligned target with 2022 base year and expanded the scope to include all joint ventures. Considering that approximately 80% of the Company's Scope 3 emissions stem from the energy consumed during the use phase of the appliances sold, producing resource-efficient products is critical in order to meet the SBTs. To keep on track with the SBTi commitment, the Company will have to invest heavily in R&D to produce the appliances more efficiently, which is very highly likely to result in increased costs (cost-ups) per product. This may impact the Company's business model by increasing cost pressures, limiting pricing flexibility, and requiring significant changes in product development and market positioning – ultimately affecting its ability to stay competitive, adapt its product portfolio, and maintain access to green financing.
Related material Issue	Energy and Water Efficient Products
Related capital(s)	Manufactured and Natural Capitals
The area where the risk occurs	Manufacturing Facilities
Related value chain stage	Downstream
Risk type	Market Risk (Transition Risk)
Primary risk driver	Uncertainty in market signals
Primary potential financial impact	Increased indirect (operating) costs
Expected rime horizon	Medium Term
Likelihood	Likely
Magnitude of impact	Moderate
Type of impact	Anticipated

Financial Impact of Risk			
Estimated cost of risk	TRY 550,248,748 - 628,705,293	**Estimated Cost of Risk Corresponding Item in the Consolidated Financial Table**	Forecast Value - Operating Profit
Calculation rationale	The rationale behind this calculation is to estimate the potential financial impact of aligning the Company's product portfolio with SBTi targets. As regulatory pressure and consumer expectations accelerate the transition toward higher energy efficiency standards, companies are expected to shift their product mix accordingly. However, this transition entails cost implications. Energy-efficient technologies often require higher research and development (R&D) and production investments, and it is assumed that these additional costs cannot be fully transferred to the end consumer due to pricing pressures in the market. Therefore, the cost difference between the expected (market-average) and the required (SBTi-aligned) product mix represents a financial risk for the Company. The calculation aims to quantify the potential financial exposure associated with this shift. The potential impact is calculated based on the scenario where the Company faces cost-up per product to meet its SBTs while other actors in the market keep producing at lower costs due to lack of resource efficiency efforts. The final calculation* was performed by summing the financial losses calculated for each product category to estimate the total cost of risk resulting from the gap between business-as-usual operations and the pathway required to meet SBTi targets. The estimated cost of risk is presented as a range, with the maximum value reflecting the initial calculated amount, and the minimum value reflecting a 10% reduction from that initial estimate. These values reflect the forecasted financial impact of the risk in 2030, discounted to 2024 using the Weighted Average Cost of Capital (WACC).		
Cost of response to risk	TRY 999,459,122	**Cost of Response to Risk Corresponding Item in the Consolidated Financial Table**	Marketing expenses, Research and development expenses
Calculation rationale	The rationale behind this calculation is to estimate the potential financial impact of the Company's investments in marketing spending for sustainability and research and development (R&D) efforts aimed at reducing the cost-ups per product associated with producing energy-efficient appliances to meet its Science-Based Targets (SBTs). For the marketing spending for sustainability component, the logic is as follows: As consumer demand for sustainability-driven products grows, marketing efforts focused on educating consumers about the environmental benefits of energy-efficient products can help increase consumer willingness to pay a premium for these items. For the R&D efforts aimed at reducing the cost-ups per product associated with producing energy-efficient appliances to meet the Company's Science-Based Targets (SBTs), the logic is as follows: For the R&D component, the focus is on the dedicated efforts of R&D personnel who work to enhance technologies that reduce the additional costs-ups per product of producing energy-efficient appliances in order to meet the Company's SBTs. Energy-efficient technologies typically require higher R&D efforts to reduce cost-ups and improve product efficiency. To meet sustainability targets, the Company invests in R&D to improve the energy- efficiency of its products. The rationale is that, through effective R&D efforts, the Company can reduce the cost-ups associated with producing energy-efficient appliances, making them more affordable and accessible while maintaining competitiveness in the market as a response to risk. The final calculation was performed by summing the marketing spending for sustainability and the R&D spending for energy-efficient products, giving a comprehensive view of the total investment needed to support the Company's sustainability initiatives. Please note that the value reported for 2024 represents a single year and is not cumulative. The spending items listed under "cost of response to risk"– marketing spending for sustainability and R&D spending–are part of the company's regular operations and workflows, while also contributing to the response to this risk. While not initiated solely in response to this specific risk, they support risk management and reflect the company's broader strategic approach to staying aligned with market and customer expectations.		
Mitigating actions of risk	To reduce the potential financial impact of meeting Science Based Targets (SBTs), the Company has set clear long-term targets officially validated by the SBTi and aligned its mitigation strategies accordingly. We commit to reduce absolute Scope 1, 2, and 3 emissions from the use of sold products by 42% by 2030 and to reduce Scope 1, 2, and 3 emissions by 90% by 2050, compared to the 2022 base year in line with the SBTi. To achieve these goals, we have set operational targets across product efficiency and production processes to align our value chain with our science-based commitments. Please refer to the Sustainability Targets section of the Report for further details on these targets. To mitigate meeting SBTs' potential financial impact the Company will: • Continue to prioritize efforts in R&D for energy-efficient technologies, aiming to reduce the cost-ups associated with producing energy-efficient products. This will help make energy-efficient appliances more affordable and accessible while maintaining product quality and competitiveness. • Increase sustainability-focused marketing campaigns to educate consumers about the benefits of energy-efficient products. • Invest in energy-efficient production technologies to reduce energy consumption and reduce production costs, improving overall product efficiency. • Leverage green financing options to support the R&D and marketing efforts needed to meet SBTi targets, enabling the Company to implement sustainability initiatives without significant financial strain. • Establish strategic pricing models for energy-efficient products that account for potential cost-ups while maintaining consumer demand and competitiveness in the market. By implementing these measures, the Company can mitigate the financial impact of aligning its operations with the Science Based Targets, enabling it to meet its sustainability targets while maintaining profitability.		

*The calculation has been carried out for the refrigerator, washing machine, dishwasher, and dryer product categories, as they represent a significant portion of Scope 3 emissions during the use phase.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED PHYSICAL RISKS

Climate-related physical risks are increasingly probable over the next decade and pose significant threats to companies. According to the Intergovernmental Panel on Climate Change (IPCC), even with global warming limited to 1.5°C, the frequency and intensity of extreme weather events are expected to rise. What was once a 1-in-10-year extreme heat event is projected to occur 4.1 times more often and be 1.9°C hotter at 1.5°C warming. These risks have the potential to disrupt manufacturing operations through damage to facilities as well as interruptions in supply chains, and threats to the wellbeing of employees. The International Energy Agency (IEA) also highlights that under current policies, the world is on track for approximately 2.4°C warming by 2100, which would further amplify these physical risks. Given these projections, it is crucial for companies to assess and adapt to these climate-related physical risks to ensure business continuity and resilience.

In line with its climate strategy, the Company conducted climate-related scenario analyses to assess the potential impacts of physical risks on its operations and value chain. The assessment was designed to evaluate both acute and chronic physical risks under different climate trajectories. To this end, both external and internal expertise, were utilized through the application of tools aligned with the IPCC's Shared Socio-economic Pathways (SSP1-2.6, SSP2-4.5, and SSP5-8.5), WRI Aqueduct (RCP 2.6, 7.0, and 8.5), and the WWF Water Risk Filter.

The analysis considered a wide range of physical climate risks, including water stress, water scarcity, drought, flooding, wildfires, hot days, heatwaves, cold waves, and sea level rise. Given our global footprint, water stress and heatwaves have been identified as a high-priority climate-related risk. We are adopting a qualitative approach at this stage to understand potential large-scale impacts across diverse regions, while as part of the assessment, the Company conducted a comprehensive water risk analysis focusing on projected water stress in 2030 and estimated the potential financial impacts due to the high level of expected operational exposure.

In 2024, no production interruptions or major operational disruptions occurred due to physical climate-related events. The Company did not encounter any cases–such as floods or other acute weather-related incidents–that would necessitate disclosure under physical risk considerations. Therefore, no material physical climate risks were identified that affected operations during the reporting year.

Percentage of manufacturing facilities under extreme weather events in 2030 (in case of very high risk)

	Hot Days	Heatwave	Coldwave	Wildfire	Sea Level Rise	Water Stress
SSP1-2.6	11%	24%	0%	0%	0%	49%
SSP2-4.5	11%	24%	0%	2%	2%	42%
SSP5-8.5	18%	40%	0%	2%	2%	36%

CLIMATE-RELATED RISKS AND OPPORTUNITIES

PHYSICAL RISKS

Risk 1: Water Risk

Risk Description	
Description	Climate change is increasingly affecting water availability, quality, and quantity, posing serious challenges to sustainable water management. Projected climate shifts are expected to intensify the frequency and severity of extreme hydrological events–such as droughts and floods–thereby exacerbating water stress in many regions globally.
Company-specific description	In 2024, the Company conducted a comprehensive water risk assessment for its manufacturing facilities, in collaboration with a third-party expert. The assessment evaluated both basin level risks–such as water scarcity, quality, and stress–and site-level operational risks including water withdrawal. It leveraged tools such as the WRI Aqueduct Water Risk Atlas and the WWF Water Risk Filter. In addition, the in-house team analyzed three water stress scenarios for 2030 (RCP 2.6, 4.5, 8.5). These scenarios were used to explore potential future water availability in the basins where the facilities are located. The analysis identified that certain manufacturing sites may face a risk of water shortages, with the potential to disrupt operations depending on the severity and duration of water scarcity.
Related material issue	Water Management
Related capital(s)	Natural and Financial Capital
The area where the risk occurs	Manisa Washing Machine Plant, Singer Refrigerator, TV, A/C and Washing Machine Plant, Voltbek Refrigerator Plant
Related value chain stage	Direct operations
Risk type	Acute and Chronic Physical Risk
Primary risk driver	Water risk
Primary potential financial impact	Disruption in production capacity
Expected time horizon	Medium-term
Likelihood	Unlikely
Magnitude of impact	Moderate
Type of impact	Anticipated

Financial Impact of Risk			
Estimated cost of risk	TRY 230,511,542 - 345,760,483	**Estimated Cost of Risk Corresponding Item in the Consolidated Financial Table**	Forecast Value - Operating Profit
Calculation rationale	Potential financial impact has been estimated based on the assumptions as follows: • 2030 was chosen as the year to assess financial impacts of water risks, based on scientific forecasts and our sustainability targets. In line with this, production projection was considered for 2030. • Using the tool provided in 2024 by a third party leveraging WRI Aqueduct Water Risk Atlas for water stress for the year 2030 was adjusted under the assumption of an optimistic climate scenario scenario (RCP 2.6). • The water availability reduction ratio for the factories under potential water risk in 2030 was approximately calculated using the database of WRI Aqueduct. Anticipating that lower water availability in the basin could constrain withdrawal levels and reduce planned production volumes, we quantified the potential financial loss in terms of impacted product units. The estimated cost of risk represents the potential cost in 2030, discounted to its 2024 value using the WACC.		
Cost of response to risk	TRY 124,709,061	**Cost of Response to Risk Corresponding Item in the Consolidated Financial Table**	General administrative expenses, Cash outflows from purchases of property, plant and equipment and intangible assets
Calculation rationale	While calculating the cost of risk response, operational and capital expenditures in 2024 for our comprehensive sustainability management. While not initiated solely in response to this specific risk, these investments support risk management and reflect the Company's broader strategic approach to staying aligned with stakeholder expectations.		
Mitigating actions of risk	The Company works to identify water risks and invest to increase water recycling and reuse, and to reduce water withdrawal. As part of our risk adaptation plans, we set our water related targets and have revised in 2024 to reduce water withdrawal per product by 10% by 2030 and 25% by 2040 compared to 2024. Additionally, we aim to increase the water recycling and reuse ratio (total recycled and reused water/total water withdrawal) to 25% by 2030, 35% by 2040 across all manufacturing plants, working towards a closed-loop water system in production. In this regard, we leverage the latest technologies to reduce our dependency on the available water in the relevant basins. We additionally, encourage our suppliers to set sustainability targets such as ensuring suppliers in 90% of purchasing volume use 100% green electricity usage for by 2030, ensure ensuring suppliers in 90% of purchasing volume set their own sustainability targets on emissions and water by 2030.		

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED OPPORTUNITIES

Opportunity 1: Products with Less Negative Environmental Impact

Opportunity Description	
Description	With the growing importance of climate-related risks, consumers' awareness and sensitivity regarding the low carbon footprint is increasing. This leads consumer to demand for energy-efficient household appliances, creating a financial opportunity through higher sales of these product categories.
Company-specific description	The rising demand for energy-efficient products offers the Company a strong opportunity to enhance its competitive positioning and drive revenue growth. The Company holds this opportunity since it already has a wide energy-efficient product portfolio and is already making energy-efficient product sales. The Company also had the opportunity of investing in innovation for energy-efficient products with more favorable financing options thanks to green financing. As part of our transition plan and in line with our commitment to the SBTi, we aim to reduce the absolute Scope 1, 2, and 3 emissions from the use of sold products by 42% by 2030 and to reduce Scope 1, 2, and 3 emissions by 90% by 2050, compared to the 2022 base year. To realize these targets, we continue to invest in R&D to improve energy efficiency across our product portfolio. Please refer to the Sustainability Targets section of the Report for further details on these targets. Due to these efforts, the Company also has the opportunity of minimizing additional costs associated with energy-efficient products. This enables the Company to meet evolving market and regulatory demands, maintain cost efficiency, and strengthen customer loyalty–ultimately supporting long-term value creation and profitability.
Related material issue	Energy and Water Efficient Products
Related capital(s)	Natural and Financial Capitals
The area where the opportunity occurs	Our sales countries with Energy Label regulations in the regions of Europe, Asia-Pacific, Africa, America, and the Middle East
Related value chain stage	Downstream
Primary opportunity driver	Development of new products or services through R&D and innovation
Primary financial effect of the opportunity	Increased revenues resulting from increased demand for products and services
Expected time horizon	In the reporting year
Magnitude of impact	High
Type of impact	Actual

Financial Impact of Opportunity			
Estimated Financial Effect of Opportunity	TRY 265,401,465,717	**Estimated Financial Effect of Opportunity Corresponding Item in the Consolidated Financial Table**	Net sales
Calculation Rationale	The financial impact of this opportunity is calculated based on the sales of energy-efficient products, which refer to those that consume less energy than the lowest "allowable" energy efficiency class, as defined by regulations in specific markets. These products are expected to contribute to reduced environmental impact during their use phase. The calculation is based on the sales of products in markets where energy regulations are in place, considering the demand for products with higher energy efficiency than the lowest allowable class. The sales data and the regulations specific to each market are considered in this analysis. The financial effect of the opportunity is equal to the Company's turnover from energy-efficient products in 2024 financial year. For further information regarding the markets and energy labels included in the turnover from energy-efficient products, please refer to Annex 7. Product Indicators of the Report.		
Cost to Realize Opportunity	TRY 3,034,953,904	**Cost to Realize Opportunity Corresponding Item in the Consolidated Financial Table**	Research and development expenses Cash outflows from purchases of property, plant and equipment and intangible assets
Calculation Rationale	The rationale behind this calculation is to estimate the potential financial impact of aligning the Company's product portfolio with the increasing demand for energy-efficient products. To meet the opportunity presented by this growing demand, continuous spending and investment are required to improve energy performance through R&D. The cost of realizing this opportunity includes the Company's R&D expenditures and investments made during the 2024 financial year to develop and produce energy-efficient products. It should be noted that R&D expenditures and investments cover not only products of the relevant financial year but also those planned for future years. The investment amounts are presented based on cash flow values. It should also be noted that these expenditures are not driven only by this opportunity, but are also part of the Company's sustainability strategy and targets. While not initiated solely in response to this specific risk, these investments support risk management and reflect the Company's broader strategic approach to staying aligned with stakeholder expectations.		

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED OPPORTUNITIES

Opportunity 2: Renewable Energy Investment

Opportunity Description	
Description	Reducing Scope 1 and 2 emissions by establishing renewable energy systems is a strategic approach to mitigating a possible higher cost associated with grid electricity and green electricity certificates.
Company-specific description	We aim to reduce our environmental impact from energy use through dedicated energy initiatives including establishing renewable energy systems as well as purchasing green electricity certificates. The Company is driving its renewable energy transition by targeting the installation of systems with a capacity of 100 MW_p by 2030 and reaching 110 MW_p by 2040. In parallel, it is planned to use 100% green electricity in all countries where we have production facilities by 2030. Therefore, increasing renewable energy systems will allow us to reduce our cost to purchase grid electricity and green electricity certificates.
Related Material Issue	Climate Action
Related Capital(s)	Natural Capital
The area where the opportunity occurs	At 14 manufacturing facilities in different countries including Türkiye, Romania, Thailand, Pakistan and South Africa
Related Value Chain Stage	Direct operations
Opportunity Type	Energy source
Primary Opportunity Driver	Use of low-carbon energy sources
Primary Financial Effect of the Opportunity	Reduced indirect (operating) costs
Expected Time Horizon	In the reporting year
Magnitude of impact	Low
Type of impact	Actual

Financial Impact of Opportunity			
Estimated Financial Effect of Opportunity	TRY 93,349,436	**Estimated Financial Effect of Opportunity Corresponding Item in the Consolidated Financial Table**	Forecast Value - Operating Profit
Calculation Rationale	Thanks to the renewable energy investments and roadmap, the Company has made savings during 2024 from the cost paid to grid and from green electricity certificate cost.		
Cost to Realize Opportunity	TRY 1,682,344,554*	**Cost to Realize Opportunity Corresponding Item in the Consolidated Financial Table**	Cash outflows from purchases of property, plant and equipment and intangible assets**
Calculation Rationale	In order to seize the opportunity of cost saving, Arçelik needs to realize the planned renewable energy investments. Therefore, the Company has been implementing renewable energy systems since 2019. The cost to realize opportunity is equal to the Company's investment in renewable energy for the period 2019-2024. *2023 and 2024 figures have been indexed to the purchasing power of December 2024 with the application of IAS 29 Financial Reporting in Hyperinflationary Economies. **For 2024 financial investments (TRY 1,132,520,340), "Cash outflows from purchases of property, plant and equipment and intangible assets" items should be considered in 2024 Annual Report, while for the previous years' data, previous years' annual reports should be reviewed.		

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED OPPORTUNITIES

Opportunity 3: Investments in Rainwater Harvesting, Water Recycling and Reuse

Opportunity Description	
Description	Reducing water usage and consumption through water efficiency and recycling and reuse projects helps minimize water-related risks, lower operational costs, and reduce dependency on the availability of water in the relevant basins.
Company-specific description	Considering the Company's water-related targets and the relevant water-related projects, a significant amount of financial benefit has been realized. These initiatives have not only optimized water usage but also led to cost savings in operations. Additionally, these water management efforts have proven to be effective in line with our water policy, sustainability targets and strengthening the Company's sustainability credentials.
Related Material Issue	Climate Action
Related Capital(s)	Natural Capital
The area where the opportunity occurs	At 13 manufacturing facilities in different countries including Türkiye, Thailand, China, Romania, Russia, Pakistan, South Africa and India
Related Value Chain Stage	Direct operations
Primary Opportunity Driver	Reduced water usage and consumption
Primary financial effect of the opportunity	Reduced indirect (operating) costs
Expected Time Horizon	In the reporting year
Magnitude of impact	Low
Type of impact	Actual

Financial Impact of Opportunity			
Estimated Financial Effect of Opportunity	TRY 34,686,436	**Estimated financial effect of opportunity corresponding item in the consolidated financial table**	Forecast Value - Operating Profit
Calculation Rationale	In 2024, the Company achieved cost savings by recycling and reusing wastewater and harvesting rainwater. These savings were estimated based on the volume of water provided by these projects and the cost that would have applied if the equivalent volume had been withdrawn from external sources.		
Cost to Realize Opportunity	TRY 55,858,882*	**Cost to realize opportunity corresponding item in the consolidated financial table**	Cash outflows from purchases of property, plant and equipment and intangible assets
Calculation Rationale	The cost to realize the opportunity is the amount equal to the investments made in rainwater harvesting and wastewater recovery projects during 2018-2024 as part of sustainable water management. While not initiated solely in response to this specific risk, these investments support risk management and reflect the Company's broader strategic approach to staying aligned with stakeholder expectations. *For 2024 financial investments (TRY 30,481,682), "Cash outflows from purchases of property, plant and equipment and intangible assets" items should be considered in 2024 Annual Report, while for the previous years' data, previous years' annual reports should be reviewed.		

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED OPPORTUNITIES

Opportunity 4: Green Financing

Opportunity Description	
Description	Sustainable financing instruments, such as green bonds and sustainability-linked loans, present an opportunity to drive capital toward environmentally and socially responsible projects while enhancing long-term financial resilience.
Company-specific description	We benefit from a EUR 500 million green financing consisting of a EUR 350 million green bond and a EUR 150 million green loan with better borrowing conditions. With the Green Bond, we finance Eligible Green Projects including energy-efficient, eco-efficient, and circular economy-adapted products and the promotion of energy efficiency in production. The proceeds support the company's investments in energy and water efficient products, energy efficiency in production, sustainable water and wastewater management, pollution control and prevention, renewable energy, and green building initiatives. With a green loan from EBRD, we plan to implement projects to achieve net-zero emissions in the value chain by 2050 through financing environmental Sustainability and R&D projects. The green financing 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. It also strengthens our business model by supporting sustainable product development and operational efficiency.
Related Material Issue	Sustainable Financing
Related Capital(s)	Financial Capital
The area where the opportunity occurs	For the Green Bond, all global manufacturing facilities are included except Joint Ventures (Beko Europe, Arçelik LG, Arçelik Hitachi, VoltasBeko operations) For the Green Loan, selected manufacturing facilities in Türkiye are included.
Related Value Chain Stage	Upstream, Own Operations, Downstream
Primary Opportunity Driver	Access to favorable financing conditions
Primary financial effect of the opportunity	Increased access to capital at lower/more favorable rates
Expected Time Horizon	In the reporting year
Magnitude of impact	Low
Type of impact	Actual

Financial Impact of Opportunity			
Estimated Financial Effect of Opportunity	TRY 78,965,806	**Estimated financial effect of opportunity corresponding item in the consolidated financial table**	Forecast Value - Operating Profit
Calculation Rationale	Green financing options provide lower interest rates compared to conventional credit alternatives in order to support the green transformation of business. Thus, the calculated financial impact shows the saving of the Company in 2024 thanks to using green financing compared to conventional financing tools.		
Cost to Realize Opportunity	TRY 974,331	**Cost to realize opportunity corresponding item in the consolidated financial table**	General administrative expenses*
Calculation Rationale	We receive auditing services regarding the use of proceeds linked to its green bond and green loan in order to demonstrate the alignment of its spending to the commitments and targets. The cost to realize opportunity is the total costs of audit services during 2021-2024. *For 2024 financial expenses, 'General administrative expenses' item should be considered in 2024 Annual Report, while for the 2021-2023 expenses, 'General administrative expenses' in the financial statements of the other years should be reviewed.		

SUSTAINABILITY STATEMENT

General Basis for Preparation of the sustainability statement

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.

In compliance with the CSRD and other disclosure requirements outlined in the "Alignment with Legislation and Sustainability Reporting Frameworks" section below, the company follows specific reporting standards that establish a holistic and standardized approach to integrating sustainability into governance, strategy, and operations. These standards ensure that stakeholders can assess the company's sustainability performance in a clear and comparable manner.

All material information in this report is based on the findings of the Company's Double Materiality Assessment (DMA), which covers our own operations, upstream suppliers, and downstream value chain. The DMA framework identifies Impacts, Risks, and Opportunities (IROs) that shape the company's sustainability priorities. Assessing IROs involves evaluating the effects of operations on the environment and people, the risks sustainability matters pose to the company, and the opportunities created by sustainability initiatives.

For further information on our DMA results and methodology, please refer to the Materiality Analysis Section of the Report.

SCOPE OF CONSOLIDATION

Given the variety of data reported, please refer to Annex 1. Scope of the Report for further details on the consolidation scope of each data.

↘ For further information, please refer to the Annex 1. Scope of the Report.

ALIGNMENT WITH LEGISLATION AND SUSTAINABILITY REPORTING FRAMEWORKS

Our Integrated Report has been prepared in alignment with multiple reporting frameworks and standards, including the International Integrated Reporting Framework (IIRC), Global Reporting Initiative (GRI), Türkiye Sustainability Reporting Standards (TSRS), and the EU Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy, IFRS International Sustainability Standards Board (ISSB), Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), and Stakeholder Capitalism Metrics (SCM).

↘ For further information on the application of these standards and regulations' disclosure requirements and their references, please refer to Annex 21. CSRD Index, Annex 20. GRI Index, Annex 18. TCFD Index, Annex 17. SASB Disclosure, Annex 19. SCM Index, Annex 1. Scope of the Report.

↗ For further information, please refer to our TSRS Compliant Sustainability Report.

VALUE CHAIN

The sustainability statement covers our own, upstream, and downstream value chain as the associated IROs have been identified and assessed through our DMA.

↘ For further information on our value chain, please refer to the Business Model and Value Chain section of the Report.

↘ For further information on IROs, please refer to the Materiality Analysis section of the Report.

↘ For further information on how we define our own operations, upstream, and downstream value chain, please refer to the Climate-Related Risks and Opportunities section of the Report.

TIME HORIZONS

The time horizons of our reporting are defined as follows; short-term is 1-3 years, medium-term is 4-10 years, and long-term is 11-30 years.

COMPARATIVE INFORMATION

Comparative figures and data from previous years have been included in the relevant sections of the report, highlighting developments,

SUSTAINABILITY STATEMENT

achievements, and progress towards targets for specific metrics in the current period.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

We make assessments and estimates for some data points in our sustainability reporting, utilizing various sources. We regularly review and update these assumptions, estimates, and judgments, considering evolving sustainability reporting standards and other relevant factors. The use of reasonable assumptions and estimates, including scenario or sensitivity analysis, is an essential part of preparing sustainability-related information and does not undermine the usefulness of that information. Any changes to estimates are reflected in the period during which the revision occurs.

↘ For further information on scenarios used and sensitivity, please refer to the Climate-Related Risks and Opportunities section of the Report.

CHANGES IN PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

Where changes in practices or presentation have occurred since the previous reporting period, these are explained in the relevant sections of the report, along with the reasons for the changes. Revised comparative figures are disclosed where available. If any material changes or errors from prior periods are identified, the nature of the change, any corrections made, and the circumstances leading to the change will be disclosed, to the extent practicable.

IMMATERIAL ESRS STANDARDS

We have omitted disclosure requirements related to topics assessed as "non-material" in our Double Materiality Assessment (DMA), as these were deemed immaterial. For topics considered material from an impact, financial, and both perspectives, we have identified and assessed the relevant impacts, risks, and opportunities using the same methodology and process steps applied to material topics.

↘ For further information, please refer to the Materiality Analysis section of the Report.

RISK ASSESSMENT AND INTERNAL CONTROLS IN THE SUSTAINABILITY REPORTING PROCESS

Sustainability reporting, like financial reporting, is subject to operational risks such as data incompleteness, inaccuracies, human error, system failures, and external factors. To mitigate these risks, sustainability reporting is integrated into the company's broader risk management and internal control is performed. An annual risk assessment identifies key risks, including inconsistent data, manual errors in consolidation, and reporting complexity.

Each disclosure requirement is compiled by responsible employees with input from relevant departments, while the Sustainability team reviews the information for accuracy and adequacy. This team oversees the overall sustainability statement and double materiality assessment (DMA), determining the necessary level of internal controls based on risk materiality. Controls are designed to ensure data integrity, completeness, and reconciliation, with regular risk assessments and updates reported to the board of directors and senior management.

The company prioritizes sustainability reporting risks based on materiality, data complexity, and integration. The Sustainability team provides recommendations on improving reporting processes, format, and disclosure requirements. By implementing these measures, the organization enhances its sustainability reporting framework, ensuring reliable, transparent, and compliant disclosures.

The Board of Directors (BoD) oversees risk management, with the CFO responsible for monitoring and auditing performance. Risk management is conducted annually across the organization. Reporting to the BoD, the Early Detection of Risk Committee manages all company risks, including sustainability-related ones. The BoD also ensures proper oversight of sustainability impacts, risks, and opportunities (IROs) and maintains the necessary skills for long-term value creation.

SUSTAINABILITY STATEMENT

STATEMENT ON SUSTAINABILITY DUE DILIGENCE

We are committed to integrating sustainability into our operations through a robust due diligence process. This approach enables us to identify, assess, and address potential environmental and human rights risks across our value chain. By proactively managing these risks, we aim to uphold responsible business practices.

Core elements of sustainability due diligence	Related ESRS Disclosure	Related Sections and Explanations
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3	Corporate Governance
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1	Stakeholder Engagement
Identifying and assessing negative impacts	ESRS 2 IRO-1 ESRS 2 SBM-3 Related Topical standards	Materiality Analysis
Taking actions to address those negative impacts	ESRS 2 IRO-1 Related Topical standards	Materiality Analysis
Tracking the effectiveness of these efforts and communicating	ESRS 2 IRO-1 Related topical standards	Materiality Analysis Sustainability Targets

↘ For further information on the sustainability due diligence and related explanation location which fall under the “Core element of sustainability due diligence” column, please refer to Annex 21. CSRD Index of the Report.

1.0

STRATEGIC APPROACH TO SUSTAINABILITY

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CORPORATE GOVERNANCE

Corporate Values

We base our corporate management on the values of accountability, responsibility, openness, transparency, and equality. Our corporate values lead the way of establishing a sound and reliable relationship with our business environment and help strengthen the affiliation of our stakeholders. We harmonize these corporate values with a profitability point of view and the goal of creating an effective working environment. In line with our capitals, we consider ethical standards in our approach, ensuring that our values are reflected in both stakeholder relationships and the responsible utilization of our capitals. This holistic approach has become the key to our long-standing success.

In line with our corporate values, we take necessary measures to ensure equality within the organization and among external stakeholders. We ensure that stakeholders' rights to obtain information are fulfilled fairly. Our Investor Relations Department is responsible for recording the voting results and sending reports to shareholders. We comply with exercising shareholder rights through legislation, articles of association, and other inhouse regulations. We take necessary measures to ensure the exercise of these rights and equal treatment. For internal stakeholders, important business updates are shared with employees through Townhall meetings, reporting channels such as whistleblowing mechanisms and ethics hotline are established. As a result of all these efforts, our Corporate Governance Rating* is recorded as 9.7 in 2024.

We believe the separation of the roles of Chairperson of the Board of Directors and CEO is crucial in order to support corporate values. Consequently, these two roles are held by different individuals. Furthermore, we have a CEO succession plan in place to ensure continuity of the company's operations and strategy in the event of a planned or unplanned CEO departure.

↘ For further details on the whistleblowing mechanism and ethical hotline, please refer to the Business Ethics and Transparency section of the Report.

↗ For further information, please refer to 2024 Corporate Governance Rating Report.

*The Corporate Governance Rating is an assessment of a company's compliance with corporate governance principles, including transparency, fairness, accountability, and responsibility. It is determined by SAHA, using the Capital Markets Board's (CMB) Corporate Governance Principles (2014 Communiqué) as a benchmark.

Corporate Management

THE BOARD OF DIRECTORS

The highest management body in the Company is the Board of Directors (BoD). The main responsibility of the BoD is to supervise the overall vision, strategy, and objectives of the Company's business activities. The Board of Directors is responsible for the overall strategic management and the financial and managerial supervision of the company, the goal being to ensure long-term value creation. Regular board performance evaluations are conducted to assess the effectiveness of the Board of Directors. Additionally, there is no limitation to directors' personal liabilities; however, in accordance with the Corporate Governance Communiqué, any damage caused by directors' faults during their duties is insured for an amount exceeding 25% of the company's capital.

↘ For further information on the BoD, please refer to Annex 4. Corporate Governance Indicators.

The Board of Directors' Election

The BoD members are elected at the General Assembly meetings individually on an annual basis and serve for one year. For this selection, a specific set of eligibility criteria is defined.

In order to determine the Independent Members, the decision is made by the BoD upon the recommendation of the Corporate Governance Committee, after the candidates have proven to meet the Independence Criteria of BoD.

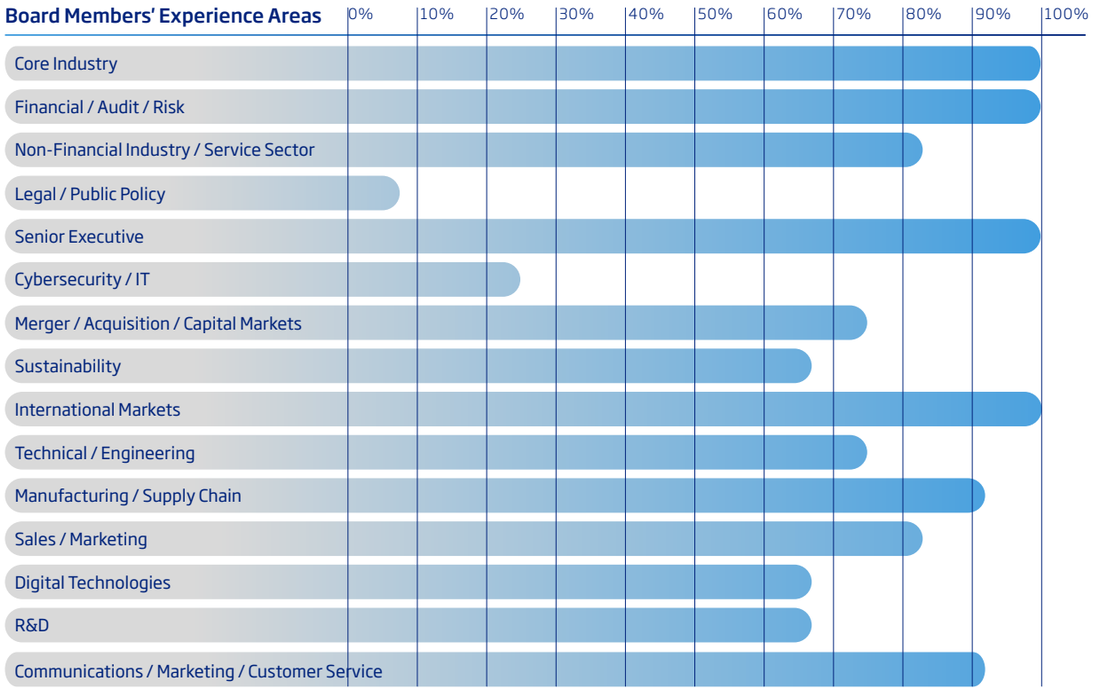
↗ For further information, please refer to the Independence Criteria of the Company's Board of Directors.

↘ For further information on the Board Independence, please refer to Annex 4. Corporate Governance Indicators.

CORPORATE GOVERNANCE

The Board of Directors' Experience

Members of the BoD are experienced individuals who have had many years of professional life. The company makes the most of the knowledge and experiences of Board Members.



Additionally, four members of our BoD have four or less external mandates, supporting effective oversight and engagement.

↘ For further information on the Work Experience and Term of Office on the Company's BoD, please refer to Annex 4. Corporate Governance Indicators.

The Board of Directors' Diversity

The Company takes diversity into account at the level of the BoD. In line with this view, the Company has published a Board Diversity Policy and when nominating candidates for BoD membership, diversity is considered in terms of age, gender, race, citizenship, nationality, and ethnicity. The Company has also committed to increase the rate of women members in the BoD to 25% by 2025. We achieved this target with having three women within the total of 12 BoD members (a 25% gender distribution).

↗ For further information, please refer to our Board Diversity Policy

↘ For further information on the Citizenship/ Residency and Gender Diversity of the BoD, please refer to Annex 4. Corporate Governance Indicators.

The Board of Directors' Committees

In order to ensure the most efficient approach, all tasks are delegated to committees of the BoD which are formed according to the Articles of Association for consultation, coordination, audit, or similar purposes. Additionally, any amendment to the articles of association is submitted to the general assembly for approval by all shareholders.

The Company aims to ensure the BoD can work and organize committees' activities effectively, and the members can work productively, constructively, and make fast and rational decisions. As such, indicators such as BoD meeting attendance, number of other mandates held by members and effectiveness of Board Committees are considered. The office of the CFO is responsible for organizing and coordinating BoD meetings and coordination in relation to committee decisions.

In addition, the Company aims to keep the members of the BoD up to date regarding current risk management practices including ESG trends. Thus, a Board Member - who is also Koç Holding Consumer Durables' President - has been tasked with reporting the sustainability-related issues to the BoD.

↘ For further information on the Board Meeting Attendance, please refer to Annex 4. Corporate Governance Indicators.

↘ For further information regarding committees reporting to the BoD, please refer to Annex 4. Corporate Governance Indicators.

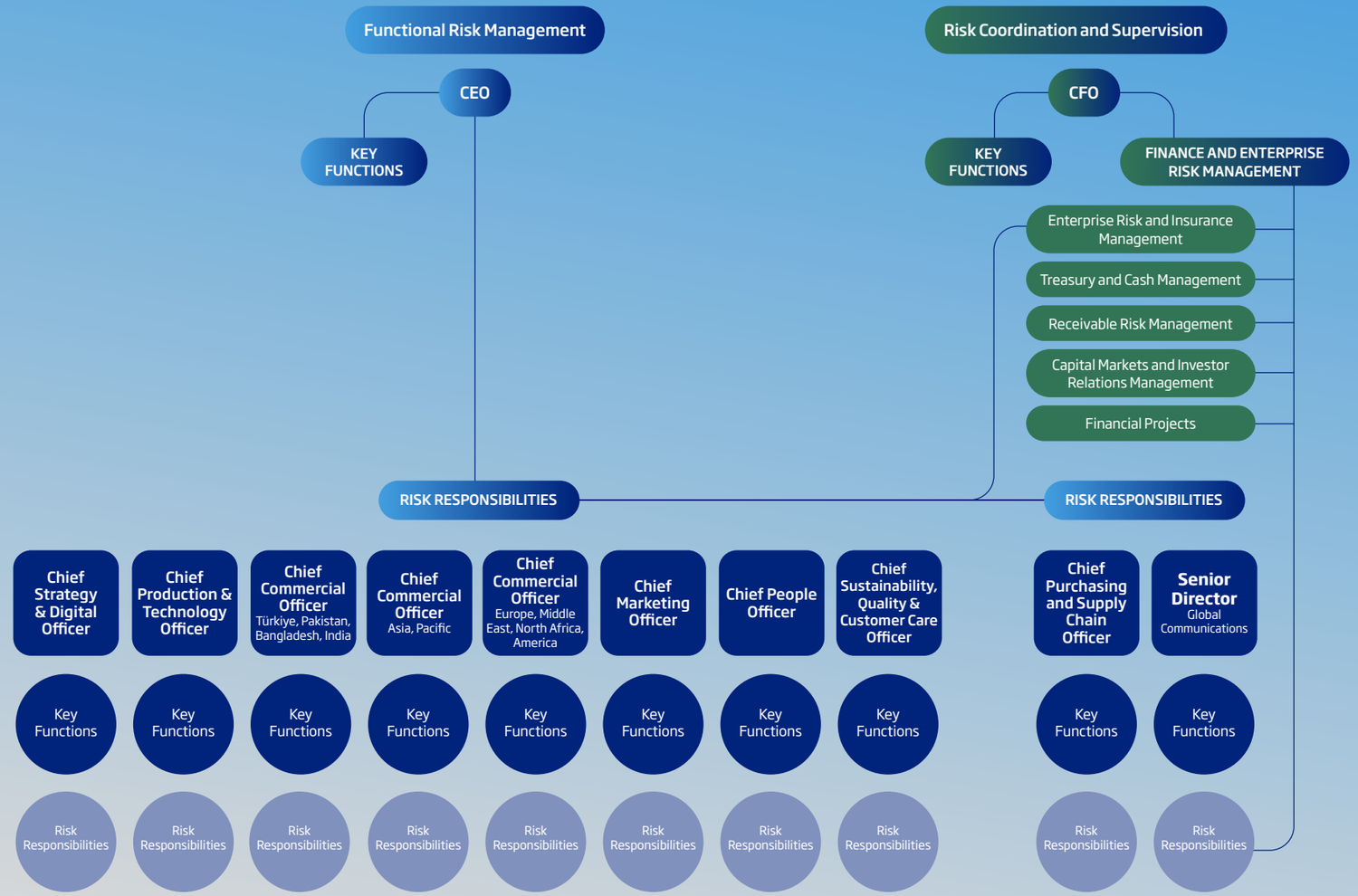
CORPORATE GOVERNANCE

ENTERPRISE RISK MANAGEMENT

The Company has a detailed risk universe typically outlined under five main categories: financial, strategic, operational, compliance, and external risks. The Company publicly reports on the risks including their descriptions, likelihoods, and magnitudes of potential impacts. The Company also discloses risk appetite, priority level and mitigating actions for certain risks. The risks the Company is exposed to are reviewed at least twice a year. Additionally, the Company also conducts sensitivity analysis for material financial and non-financial risks.

In the process, global best practices are taken into consideration, especially ISO 31000 Risk Management Standard and the COSO Enterprise Risk Management Framework. In addition, Arçelik conducts internal audits under the office of CFO with "Three Lines of Defense" approach and external audits by an independent third-party auditor.

The reporting line and responsibilities for ERM processes are described below:



CORPORATE GOVERNANCE

The Board of Directors' Responsibility

The BoD holds ultimate responsibility for overseeing risk management and the company's sustainability strategy, covering sustainability risks, opportunities, and broader matters. The Board-level Early Detection of Risk Committee advises the BoD and oversees identification and evaluation of all financial, operational, sustainability, and climate-related risks and opportunities.

At BoD level, a Board Member- who is also Koç Holding Consumer Durables' President- has been tasked with reporting the sustainability-related issues, IROs, including climate-related risks and opportunities, to the BoD three times a year. Sustainability activities are managed by the CSO, the Company's highest-ranking individual responsible for assessing, managing, and executing sustainability and climate-related strategies, risks, and opportunities. The CSO is also General Secretary of the Sustainability Council and Chair of TÜSİAD's Environment and Climate Change Working Group. Additionally, the CFO is the highest-ranking person with responsibility for monitoring and auditing risk management performance.

The Board Member responsible for reporting sustainability issues to the BoD, who is also the President of Koç Holding Consumer Durables, oversees sustainability and climate-related impacts, risks, and opportunities. In line with Board decision No. 992 dated March 28, 2019, this Board member and former CFO–reappointed annually and most recently in 2025–was officially appointed to oversee these risks and opportunities based on experience and strategic oversight. This ensures appropriate authority and competence to supervise related strategies. The appointed Board Member plays a key role in decisions, reports to the BoD, and is supported by the CSO and experts who provide comprehensive reports, ensuring timely, accurate insights and sufficient authority for effective oversight. Thus, the overall responsibility for risk management, including sustainability and climate-related impacts, risks, and opportunities, ensuring that the necessary skills and competencies are in place to guide the company's value creation process over time, lies with the BoD, and risk management activities are carried out throughout the organization on an annual basis.

Risk management is an integral part of the management of the Company. The BoD takes proactive steps to guide the Company's strategy and strengthen risk management practices, ensuring a comprehensive approach to mitigating risks across the organization. As climate change is a key sustainability risk, the BoD is actively involved in climate and risk management. This governance approach directly aligns with the Company's long-term strategic objectives, integrating sustainability considerations across the decision-making framework to enhance value for stakeholders.

The BoD regularly reviews the major risks facing the company and ensures that management has identified and put controls in place to address those risks. This includes financial, operational, strategic, regulatory, cybersecurity, and reputational risks. They oversee the development and effectiveness of risk mitigation strategies and ensure that key risks are being actively managed. Furthermore, the BoD ensures there is proper communication between C-level executives and directors regarding risk issues. They receive regular reports and updates from the management team about the state of risk management efforts, emerging risks, mitigation actions, and any significant risk events.

All sustainability targets, risks, and opportunities are communicated to the BoD and C-level executives overseeing strategy. Progress is disclosed in meetings and reports, incorporated into the objectives and performance metrics of the BoD, CSO, and all relevant C-level executives. Oversight is filtered by the sustainability department before reporting to the Sustainability Council and the BoD.

To foster a risk-aware culture, the BoD ensures that risk management is embedded in the organization's processes and decision-making. They promote risk awareness across all levels and ensure that employees have the necessary training and resources to identify and report risks. Risk Bulletins, identified as best practices, are evaluated by Independent Board Members in terms of geopolitical, market, macroeconomic, and other related risks.

The BoD is also responsible for approving and overseeing the company's crisis management plans and contingency measures, ensuring preparedness for cybersecurity breaches, natural disasters, or economic crises. Business continuity plans for headquarters, silos, and workstreams require board approval, with regular testing and simulations conducted.

Ensuring compliance with relevant laws, regulations, and industry standards is another key responsibility of the BoD. They oversee financial reporting, data protection, and other regulatory requirements while monitoring emerging regulatory risks and ensuring the company is prepared to comply with changes in the regulatory landscape. The BoD may also oversee the work of the C-Level Risk Committee to assess the effectiveness of the company's risk management systems and Business Continuity studies, ensuring that risks are properly managed and that the ERM framework operates as intended.

CORPORATE GOVERNANCE

Risk and opportunity management, including sustainability and climate-related issues, are integrated into the company's strategic decisions under the BoD's guidance to align with long-term objectives and ensure risk-informed planning. The BoD evaluates risks related to market expansion, cybersecurity, key personnel, capital expenditures, new product launches, and acquisitions, embedding risk considerations into long-term planning. They require climate risk assessments for major projects and incorporate scenario analysis results (e.g., IEA and IPCC pathways) into investment and growth strategies to identify transition and physical risks, operational impacts, and long-term costs. Additionally, the BoD regularly assesses the ERM framework's effectiveness using KPIs and metrics to measure performance and identify improvement areas.

The BoD is accountable for overseeing the company's enterprise risk management practices, ensuring that effective risk management strategies are in place, and supporting management in addressing both present and future risks. Through these actions, the BoD strengthens risk management, protects the company's assets and reputation, and ensures long-term sustainability.

Furthermore, Internal audits are conducted under the office of CFO with "Three Lines of Defense" approach. In addition, the Internal Audit Management, which is independent from the Enterprise Risk and Insurance Management Department, evaluates and improves the effectiveness of internal control and governance processes and shares the results regularly with the Board-level Audit Committee.

The Board-level Early Detection of Risk Committee which was established in 2010 acts as an advisory committee to the Board of Directors in terms of early detection of financial and operational risks.

Early Detection of Risk Committee

The Early Detection of Risk Committee is the highest governing body for the management of all risks and opportunities of the Company. Thus, governing and evaluating sustainability-related risks including climate-related ones falls under the responsibility of this committee. Additionally, once sustainability and climate- related risk and opportunity items are qualitatively and quantitatively evaluated, action plans and related investment needs are carefully laid out by each team involved in the process. Such risks are discussed at the Sustainability Council to inform the C-level and D-level and reported to the Early Detection of Risk Committee with the help of the Enterprise Risk and Insurance Management Department. To manage and mitigate the risks, action plans are taken into consideration.

In 2024, sustainability-related risks and opportunities included on the agenda of this Committee's meetings were:

- Possible cost up of the Company to meet the 2050 Net Zero target which bears the risk of decreasing competitive advantage
- Possible reporting and tax implications from Carbon Border Adjustment Mechanism (CBAM)
- Emerging regulations regarding sustainable packaging and related cost ups for transition to alternative packaging solutions

↘ For further information, please refer to the Climate-Related Risks and Opportunities section of the Report.

↘ For further information regarding the Early Detection of Risk Committee reporting to the BoD, please refer to Annex 4. Corporate Governance Indicators.

Risk Committee

The C-Level Risk Committee's infrastructure was revised in 2024, and the committee will enhance its activities in 2025 to enable rapid and real-time decision-making processes in enterprise risk management, insurance management, and business continuity. This committee, designed to meet at least once a year, focuses on Business Continuity and Crisis Management, and discusses matters to be presented to the Board-level Early Detection of Risk Committee, ensuring critical risks are adressed effectively. This committee is coordinated by Enterprise Risk and Insurance Administration Team.

The Enterprise Risk and Insurance Management Department

The Enterprise Risk and Insurance Management Director is the highest-ranking person with dedicated management responsibility on an operational level. The risks that the Company is exposed to are reviewed at least twice a year. The Department coordinates and oversees financial, strategic, operational, compliance, and external risks that may affect the company. The Department determines the outstanding risks on a global scale and is responsible for the integration of company-wide risks and their potential financial as well as operational implications onto a risk matrix that shows risks based on their priority, factoring in the risk appetite and risk tolerance. The Department is structurally independent from business lines and reports the identified risks to the Early Detection of Risk Committee.

In addition, to improve the risk culture and awareness throughout the organization, the directors involved in the top management of the organization, country managers working in our Group companies, and risk managers working in organizations are provided with enterprise risk management trainings. The overall risk management process of the company is externally audited by an independent third-party auditor.

CORPORATE GOVERNANCE

Enterprise Risk Management (ERM) System

Being a company that places sustainability at the heart of its strategy, it is essential for the Company to integrate the risks arising from the climate crisis and other sustainability topics into the ERM system to execute the relevant action plans in line with the Company's Net Zero 2050 and corporate sustainability strategy.

To achieve this, our Enterprise Risk and Insurance Management and Sustainability Department work in close coordination to identify, evaluate, measure, and prioritize sustainability-related risks and opportunities and integrate the material topics into the Company's risk matrix. The material topics are integrated into the Company's risk matrix, which includes sustainability-related issues to address outstanding sustainability concerns. The outstanding risks and opportunities identified through ERM studies and surveys are transferred onto this risk matrix, helping to clarify their potential likelihood and impact, enabling prioritization and proactive action.

The Company also aims to identify emerging risks. The ERM Framework of the Company and risk surveys carried out annually by departments and subsidiaries are key to determine which risks may ultimately emerge and be critical. Upon determining, the Company defines the potential impacts these risks may have on the company and the related mitigating actions.

↗ For further information, please refer to our ERM website.

Enterprise Risk Management Matrix

↘ For further information, please refer to the Climate-Related Risks and Opportunities section of the Report.

Climate-related risks

CORPORATE GOVERNANCE

Emerging Risks

As businesses navigate an increasingly complex global landscape, identifying and addressing long-term emerging risks is crucial for sustainable growth. Over the next 3-5 years, two significant external risks with potential long-term impacts stand out. The adjacent table provides two examples of these. To mitigate these risks, we have implemented proactive measures including relavant sustainability initiatives and diversified strategies.

Emerging Risks		
Name of the risk	Geopolitical and Macroeconomic Risk	Packaging Compliance and Cost Risks
Description	There is a global trend toward protectionism and economic nationalism, with increasing use of tariffs, trade remedies, export controls, and localization mandates. Ongoing and potential trade disputes create uncertainty for global value chains. As a multinational appliance manufacturer reliant on cross-border sourcing of inputs and finished goods distribution, Arçelik is exposed to trade fragmentation risks that could escalate into long-term structural changes in the global trading system.	The packaging risk associated with upcoming regulations and potential taxes on recycled content is an emerging concern for manufacturers. As governments in regions like the UK and Spain implement plastic packaging taxes targeting low recycled plastic content, companies face rising costs. Additionally, fluctuations in the price, quality, and durability of recycled plastic raw materials add complexity to supply chains. These factors drive the need for innovation in packaging design and material sourcing. Manufacturers must proactively adapt to evolving regulatory landscapes to mitigate financial impact and maintain competitiveness. This emerging risk highlights the growing importance of sustainable packaging strategies in reducing environmental impact while managing cost pressures.
Impact	Arçelik may face higher import/export costs, supply chain delays, and market access barriers due to unilateral tariffs, bilateral trade disputes, or retaliatory trade measures. The firm's use of components from various jurisdictions – including Asia, the EU, and Türkiye – means changing trade rules could disrupt cost-efficiency and require sourcing or manufacturing shifts. Protectionist policies and/or delayed responses to trade policies could also pressure Arçelik to reconfigure production footprints, potentially impacting margins and competitiveness across markets.	Increasing regulatory pressures across Europe are reshaping packaging compliance requirements, with several countries implementing or planning packaging taxes. The UK introduced its tax in 2022, now set at GBP 217.85 per tonne for packaging with less than 30% recycled content. Spain's tax, effective January 2023, charges EUR 450 per tonne on non-reusable plastic packaging, with certain exemptions. Italy delayed its planned tax from July 2024 to July 2026. France's EPS ban is postponed until 2030, while Australia is implementing phased bans with state-specific exemptions. Of particular note is the UK's Extended Producer Responsibility (EPR) scheme starting in 2025, imposing an estimated fee of GBP 485 per tonne. This presents a substantial emerging compliance and financial risk, requiring producers to cover full lifecycle costs of packaging. These developments, combined with recycled content mandates and fluctuations in recycled plastic price, quality, and durability, are intensifying cost pressures across the sector.
Mitigation actions	Arçelik is actively monitoring trade policy developments and adjusting its strategic plans accordingly, particularly in response to increasing global protectionism. The company engages with leading industry associations such as APPLiA (chaired by its CEO), TÜSİAD, and BusinessEurope to support fair, rules-based trade. To enhance supply chain resilience, Arçelik has implemented digital transformation initiatives, expanded its supplier base, and developed risk-informed operational models. These efforts are described in the company's Annual Reports as well as the R&D, Innovation, Digital Transformation, Sustainable Supply Chain Management, Annex 4. Corporate Governance's Selected Memberships and Contributions sections of this Report.	Our holistic approach focuses on three key areas: reducing the volume and weight of our product packaging to minimize waste; implementing reuse and recycling projects; and increasing the recycled content of packaging and selecting easily recyclable and sustainable materials. A Sustainable Packaging Working Group has been working on switching to sustainable packaging alternatives including having recycled content in plastic accessory and product bags, strip and shrink film, and to end the EPS consumption in packaging using sustainable alternatives instead. By proactively initiating the Sustainable Packaging Project before the regulations were introduced, the ability to effectively manage its current position has been developed. Thanks to all the huge efforts of the Working Group, Grundig brand of major domestic appliances line-up with EPS-free packaging serial production have been initiated in 2024. This line-up includes dryer, dishwasher, refrigerator, hob, oven, and washing machine products.

CORPORATE GOVERNANCE

Sustainability Governance

Integration of sustainability as a business model strategy with a focus on stakeholder capitalism is an integral part of value creation for the Company. Thus, sustainability is embedded in the Company's strategies at various levels of governance starting from the highest level.

SUSTAINABILITY GOVERNANCE RESPONSIBILITY

The Board of Directors' Responsibility

The BoD is the highest governance body responsible for management and monitoring of sustainability and climate-related impacts, risks, and opportunities (IROs) as well as ensuring the appropriate skills and competencies are available to oversee these IROs, ensuring that the necessary skills and competencies are in place to guide the company's value creation process over time.

This governance approach directly aligns with the Company's long-term strategic objectives, integrating sustainability considerations across the decision-making framework to enhance value for stakeholders. As climate change is the predominant risk factor in sustainability risks, the BoD is also involved with climate and risk management. At BoD level, a Board Member - who is also Koç Holding Consumer Durables' President - has been tasked with reporting the sustainability-related issues, IROs, including climate-related risks and opportunities, to the BoD three times a year.

↘ For further information on the IROs and sustainability-related risk and opportunities, please refer to the Material Impacts, Risks, and Opportunities (IROs) and Climate-Related Risks and Opportunities sections of the Report.

The Chief Sustainability, Quality & Customer Care Officer's Responsibility

Sustainability activities are managed by the Chief Sustainability, Quality & Customer Care Officer. The Chief Sustainability, Quality & Customer Care Officer is the Company's highest ranking individual responsible for assessing and managing sustainability and climate-related strategies, risks and opportunities, and the execution of the entire sustainability strategy at management level in the Company. The Sustainability, Environment, Energy, International Regulations and Compliance, and Government and Sectoral Affairs Departments that report to this Office, work to monitor, and report sustainability performance, oversee the progress on sustainability targets, initiate new projects and integrate sustainability into business processes and relations. Roles and responsibilities concerning sustainability issues are clearly defined across the relevant bodies and departments reporting to the Chief Sustainability, Quality, and Customer Care Officer.

Additionally, the Chief Sustainability, Quality & Customer Care Officer is responsible for reviewing and monitoring the alignment of the policies of the NGOs, trade associations and other related organizations or institutions with the Company's decarbonization strategy and the requirements of the Paris Agreement.

CORPORATE GOVERNANCE

The Sustainability Department

The Sustainability Department is responsible for qualitative-quantitative identification of sustainability and climate-related risks and opportunities based on scenario analyses in terms of both physical and transition risks and reports such risks to the Enterprise Risk and Insurance Management Department. Enterprise Risk and Insurance Management Department includes these risks in its reports to the Board-level Early Detection of Risk Committee. Sustainability risks and opportunities, including climate-related physical and transition risks are considered in the evaluation criteria of business decisions.

↘ For further information, please refer to the Climate-Related Risks and Opportunities section of the Report.

Sustainability Working Groups (WG)

The below mentioned working groups quarterly report to the Sustainability Department.

The Sustainable Supply Chain WG is responsible for the supplier evaluation, monitoring participation in the ESG index, organizing audits, creating roadmap and helping with sustainability training. The Sustainable Packaging WG is responsible for working to find solutions to decrease plastic packaging used in products.

The Energy WG is responsible for monitoring compliance with regulations on energy, ISO 50001 Energy Management System, energy efficiency incentive mechanisms and following new technologies and energy efficiency best practices.

The Green Chemistry WG is responsible for evaluating regulations and compliance regarding hazardous substances in products, chemicals used in manufacturing and related risks and opportunities.

The Occupational Health and Safety (OHS) WG is responsible for analyzing data from operation locations, sharing information with OHS and sustainability teams.

The Climate Change WG is responsible for evaluating potential impacts of climate change on company operations in terms of risks & opportunities.

The Environment WG is responsible for Evaluating environmental legislation, compliance with ISO 14001 and ISO 14064-1 Management Systems, following targets, improvement and the roadmap for the environmental strategy.

The Recycled Plastic WG is responsible for following recycled plastic technology developments, working to increase the recycled content used in products.

CORPORATE GOVERNANCE

COMMITTEES OVERSEEING SUSTAINABILITY TOPICS

There are also C-level committees that oversee sustainability topics as part of their agenda in addition to the Early Detection of Risk Committee, which are the Sustainability Council (SC), Global Ethics Committee, and Human Rights Committee.

The Sustainability Council

The Sustainability Council (SC) gathers quarterly and determines and discusses corporate sustainability and climate change strategies, sustainability and climate-related IROs, ensures their integration with the Company's business processes, and monitors sustainability performance. The C-level executive team serve as inherent members of the SC. Other D-level executives also participate as inherent members of the Council, depending on the issues to be discussed at the meetings. The everyday work and efforts undertaken by Sustainability Working Groups (WGs) feed into the agenda of SC. The agenda of SC is determined with the work of sustainability WGs (Sustainable Supply Chain, Sustainable Packaging, Energy, Green Chemistry, OHS, Climate Change, Environment and Recycled Plastic) which gather periodically. The SC is responsible for reporting critical issues, as deemed necessary, to the Board of Directors.

The Human Rights Committee

The Human Rights Committee also gathers quarterly to discuss the progress of the human rights corrective action plans for the organization's operations as well as for suppliers. The committee oversees the work of the Company's Human Rights Department, which was formed in 2022 and serves as a platform for alignment on Global Diversity and Inclusion integration into our leadership DNA.

The Global Ethics Committee

The Global Ethics Committee, which is led by the CEO, oversees the management and fulfilment of the Global Code of Conduct and Related Policies.

↘ For further information regarding committees, please refer to Annex 4. Corporate Governance Indicators.

↘ For further information, please refer to the Material Impacts, and Climate-Related Risks and Opportunities sections of the Report.

CORPORATE GOVERNANCE

SUSTAINABILITY IMPACT, RISK AND OPPORTUNITY MANAGEMENT

The Company identifies its sustainability and climate-related impacts, risks, and opportunities (IROs) by following global, regional, and sectoral trends and analyses, climate scenarios and stakeholder feedback. The Company defines, quantifies, and categorizes its material sustainability and climate-related risks and opportunities in line with International Sustainability Standards Board (ISSB) Framework, which encompasses TCFD, as well as the Türkiye Sustainability Reporting Standards (TSRS) issued by the Public Oversight Authority (KGK) according to their potential impact and perceived likelihood.

The Early Detection of Risk Committee is the highest governing body for the management of all impacts, risks, and opportunities of the Company. Thus, governing sustainability-related IROs including climate-related ones falls under the oversight of this committee.

All business lines adopt a risk-based approach during their everyday processes and communicates possible sustainability-related risks and opportunities with Enterprise Risk and Insurance Management and Sustainability Departments as they arise. These two departments hold regular sustainability risk focused meetings in order to learn possible new developments and context change to be able to proactively identify emerging risks. The results of these meetings provide a long list of sustainability risks and opportunities with perceived likelihood, magnitude, and financial calculations where possible. Thus, the Company's Enterprise Risk and Insurance Management and Sustainability Departments work in close coordination to identify, evaluate, measure and prioritize sustainability and climate-related risks and opportunities.

As climate change is a key sustainability risk, the BoD is actively involved in climate and risk management. The Board Member responsible for reporting sustainability issues to the BoD, who is also the President of Koç Holding Consumer Durables, oversees climate-related risks and opportunities.

In line with the Board of Directors' decision No. 992 dated March 28, 2019, the President of Koç Holding Consumer Durables – a Board member and former CFO of the Company, reappointed annually in line with the Company's election process and most recently in 2025 – has been officially appointed as the person responsible for overseeing sustainability and climate-related risks and opportunities, based on their experience and strategic oversight capabilities. This appointment ensures that appropriate authority and competence are in place to supervise strategies responding to sustainability and climate-related risks and opportunities.

↘ For further information on sustainability and climate-related risks and opportunities, please refer to the Materiality Analysis and Climate-Related Risks and Opportunities Sections of the Report.

Sustainability-related impacts, risks, and opportunities (IROs) are presented regularly to the BoD, Board-level Early Detection of Risk Committee, C-level Sustainability Council led by the CFO and all relevant business line managers involved in the strategic decision-making processes. In this way, the Company ensures that all critical individuals and bodies are knowledgeable about these IROs and take them into account during decision-making.

CORPORATE GOVERNANCE

In addition, the potential financial implications of the identified risks and opportunities are calculated with the collaboration of Sustainability, Enterprise Risk and Insurance Management and relevant business lines are evaluated with a dedicated team from Financial Planning and Consolidation. This allows the analyzation of the relationships with the sustainability risks and opportunities and the Company's financial planning, performance, and impact on net cash flow.

The Company also analyses the sensitivity against these risks by considering the potential financial impact within the general Enterprise Risk Management framework and thresholds.

SUSTAINABILITY-LINKED EXECUTIVE COMPENSATION

Integration of Sustainability into Performance Management

In order to ensure effective implementation of the Company's sustainability strategy, the sustainability-related KPIs determined based on its material topics are included in the C and D-level executives' as well as relevant business unit managers' and related expert employees' Objective Key Results (OKRs). Thus, sustainability linked KPIs are part of the OKR system.

The Company's Objective Key Results (OKRs) framework integrates sustainability into performance management, ensuring that environmental targets are effectively set and monitored. OKRs follow specific, measurable, achievable, relevant, and timebound (SMART) principles and focus and reinforce the Company's commitment to sustainability.

The governance bodies, including relevant committees and responsible individuals, oversee the process of setting sustainability related OKRs. This involves evaluating key sustainability risks and opportunities (including climate-related ones) and ensuring that defined objectives align with the Company's broader sustainability commitments and regulatory requirements.

Progress toward achieving sustainability OKRs is systematically tracked through performance evaluation mechanisms. Metrics are reviewed regularly, and adjustments are made as necessary to align with strategic sustainability goals. The oversight structure ensures accountability and transparency in tracking sustainability performance. Sustainability-related OKRs are linked to annual performance evaluation scorecards. As a result, the success of sustainability related KPIs are indirectly linked to annual compensation and bonuses.

Although sustainability-related OKRs are not assigned with direct weights or individually tracked in terms of their direct impact on compensation, they are part of a broader performance evaluation system. Throughout the year, completion ratios of OKRs are periodically monitored and reviewed, which are then considered within the overall performance review process. These final performance ratings influence annual salary increase decisions, compensation, and bonuses. Therefore, while no specific OKR or KPI can be linearly traced to a compensation change, the integrated performance management system ensures that sustainability efforts are consistently tracked, reviewed, and reflected in final performance ratings. This approach enables a fair and comprehensive evaluation based on collective effort rather than individual KPI weights.

↘ For further information, please refer to the Performance Management section of the Report.

↘ For further information on the Sustainability-linked Executive Compensation, please refer to Annex 4. Corporate Governance Indicators of the Report.

CORPORATE GOVERNANCE

Compensation and Reward Structure

The purpose of compensation structure is to ensure to compensate the qualified employees in a fair and market competitive way considering the job size and required skills and competencies to deploy the Company's strategy. Additionally, this policy aims to differentiate performance by rewarding employees to motivate, engage and retain the talent in the organization. This approach enhances personal performance while driving the company's long-term value creation. By aligning personal success with company goals, we ensure that employees remain motivated to help move the business forward.

Salaries are differentiated based on position and performance, ensuring high performers are rewarded accordingly. Furthermore, sustainability is integrated into the organization's overall vision and mission as a core business strategy.

↗ For further information, please refer to our Wage and Salary Policies.

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

CORPORATE GOVERNANCE

POLICY INFLUENCE

The Company's Global Sectoral Relations Management department under the Chief Sustainability, Quality & Customer Care Officer is responsible for coordinating relations with Trade and Industry Associations, operational NGOs and civil society organizations in all jurisdictions in which the Company operates. Through these relations, the Company advocates its corporate values and priorities such as fighting against climate change, digitalization, gender equality and diversity, and supporting industrial operational advancements.

The Company works in collaboration with all public bodies, NGOs, trade associations and other related organizations or institutions in the advancement of the proposed legislation and/or other related regulations which may affect legitimate business interests that are compatible with international human rights legislation and the Paris Agreement. While working with these related bodies, it is of utmost importance that the policies of the Trade and Industry Associations and all other stakeholders in which the Company is a member comply with the UN Guiding Principles on Business and Human Rights as well as the Paris Agreement and its climate change policy to keep global warming limited to 1.5 degrees.

For trade associations, NGOs and other related organizations of which the Company is a member, the Company commits not to support any position conflicting with the Paris Agreement as well as UN Guiding Principles on Business and Human Rights. The Company also commits to publicly communicate the position of the trade associations and other related organizations in which the Company is a member, including reporting on any misalignment between the organizations and the Paris Agreement as well as UN Guiding Principles on Business and Human Rights.

In addition, the Company does not engage in political campaigns, political organizations, lobbyists, or lobbying organizations itself and do not make contributions to these organizations.

↗ For further information, please refer to the Global Sectoral Relations Management & NGO Membership Policy and Industry Association Memberships.

The Company supports suitable trade associations and sectoral organizations. Through this support, the Company made a total of TRY 91,919,708 contribution to certain associations. The policy influence activities represent 87% of data coverage within the Company's revenue.

↘ For further information regarding the Company's contributions to memberships, please refer to Annex 4. Corporate Governance Indicators - Selected Memberships and Contributions.

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

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 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 Report.

SUSTAINABILITY TARGETS

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 Report.

Our Science Based Targets	Target Year[1]		Base Year[2]	Base Year Data	2023 Progress	2024 Progress	Target Status	Target Completion Rate[2]	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_2	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_2	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_2	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[1]		Base Year[3]	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_p	110 MW_p	2024	90.2 MW_p	Newly set	NC, MC, FC	Climate Action	SDG 7, 9, 12, 13
Reduce energy consumption per product in all manufacturing facilities [4]	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 [4]	10%	25%	2024	0.08713 m^3/product	Newly set	NC, MC, FC	Water Management	SDG 6, 9, 12 FF related target
Reduce water discharge per product in all manufacturing facilities [4]	10%	25%	2024	0.07445 m^3/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[5]	99%	99%	2024	98.5%	Newly set	NC, MC, FC	Waste Management	SDG 9, 12
Increase refurbishment ratio in our Refurbishment Centers[6]	85%	90%	2024	81%	Newly set	NC, MC, FC	Durability, Reparability 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[7]	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

[1] Target year dates signify "by the end of" the year determined

[2] 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.

[3] 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.

[4] 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.

[5] Domestic waste is excluded.

[6] The scope of the target includes the centers in the UK, Italy and Romania.

[7] 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

SUSTAINABILITY TARGETS

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[1]		Base Year[2]	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[3]
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

SUSTAINABILITY TARGETS

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[1]		Base Year[2]	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

2.0

IN TOUCH WITH OUR PLANET

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

Related Capitals

Natural

Intellectual

CLIMATE ACTION

Environmental Management

We manage our environmental impact through international management standards, particularly ISO 14001 Environmental Management System, ISO 50001 Energy Management System integrated with ISO 9001 Quality Management System. The effectiveness and continuity of the management systems are ensured through regular Internal System Controls and third-party audits with international accreditation. GHG emissions of our company are categorized and calculated in accordance with GHG Protocol and verified in accordance with ISAE 3410. As the physical effects of the climate crisis, such as heat waves, droughts, wildfires, sea level rise and floods are becoming more prevalent globally, immediate action is required to mitigate and adapt to these devastating risks as well as the policy and regulatory changes that come along.

We are taking steps to limit the increase in global temperatures to the 1.5-degree. To achieve this, we are investing heavily in energy efficiency and renewable energy in production and purchasing green electricity to further decrease GHG emissions. We are also investing heavily in R&D to produce energy-efficient products to reduce the GHG emissions associated with the use phase of the products.

In addition, we evaluate our operations and assets according to our exposure to climate-related hazards and transition events, and relative sensitivity analyses are being conducted. According to the results of these studies, currently there are no assets or activities considered as incompatible with the climate-neutral economy.

Effective environmental management, adaptation, and mitigation of the impact of climate change are key priorities for us. Thus, we manage our processes in conformity with legal requirements. During the reporting period, there were no significant* fines due to non-compliance with environmental legislation.

Our environmental indicators, including targets and methodologies, are verified by a third-party organization to ensure accuracy, transparency, and alignment with industry standards. We regularly review our sustainability and climate-related targets through structured internal processes to ensure alignment with our broader sustainability strategy and long-term goals.

These reviews are conducted at least annually, with oversight from relevant departments and input from business units across the organization. Progress is monitored using a combination of qualitative assessments and quantitative performance indicators. These metrics are tracked through internal monitoring systems. Insights gained through these reviews inform strategic decision-making, resource allocation, and the continuous improvement of our sustainability efforts.

At Arçelik, we believe that raising awareness and knowledge on environmental and energy management is crucial. To this end, we provide environmental training on topics such as efficient water use and waste reduction, as well as energy training to enhance competence and understanding in energy management.

↘ For further information, please refer to Annex 3. Assurance Report and Annex 6. Environmental Indicators sections of the Report.

↗ For further information, please refer to our Climate Change Strategy, Global Environmental Policy, and Energy Policy.

↘ For further information, please refer to the Climate-Related Risks and Opportunities section of this Report.

↘ The training details can be seen in Annex 9. Social Performance Indicators.

*Fines under USD 10,000 or less are considered as no significant.

CLIMATE ACTION

Our Science Based Targets

2050 NET ZERO COMMITMENT IN LINE WITH SCIENCE BASED TARGETS INITIATIVE CORPORATE NET ZERO STANDARD

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.

Our overall net zero target is to reach net zero greenhouse gas emissions across value chain by 2050. In the scope of our long-term net-zero target, we commit to reduce absolute Scope 1 and Scope 2, emissions by 90% and Scope 3 GHG emissions by 90% as well by 2050 from a 2022 base year. We aim to do this by taking challenging innovative actions in our entire value chain. For our 10% residual emissions, we commit to investing in qualified nature and/or technology-based carbon removal projects in line with the SBTi Corporate Net Zero Standard.

Currently, we do not rely on the use of carbon credits to achieve our targets, but we will consider utilizing carbon credits in the future as we continue to advance towards our goals. Any future carbon credits used will be verified through third-party verification, ensuring that the credits meet stringent standards for quality. The type of carbon credits we will use and whether they focus on carbon reduction or removal, will be disclosed at that time, as we align our actions with the evolving regulatory and market standards.

With our new 1.5°C-aligned targets, we broaden target to all manufacturing facilities including joint ventures for Scope 1, 2 and Scope 3 emissions. For Scope 3 emissions stemming from the use phase, the target includes MDAs, SDAs, TVs and A/Cs.

Our officially validated science-based targets are more ambitious compared to the previous ones, as they require faster and deeper emissions reductions across both our operations and value chain, reflecting alignment with the 1.5°C scenario rather than the well-below 2°C pathway.

* CO_2, CH_4, N_2O, HFCs and SF_6 are included within the scope of the target.

CLIMATE ACTION

INTRODUCTION

STRATEGIC APPROACH TO SUSTAINABILITY

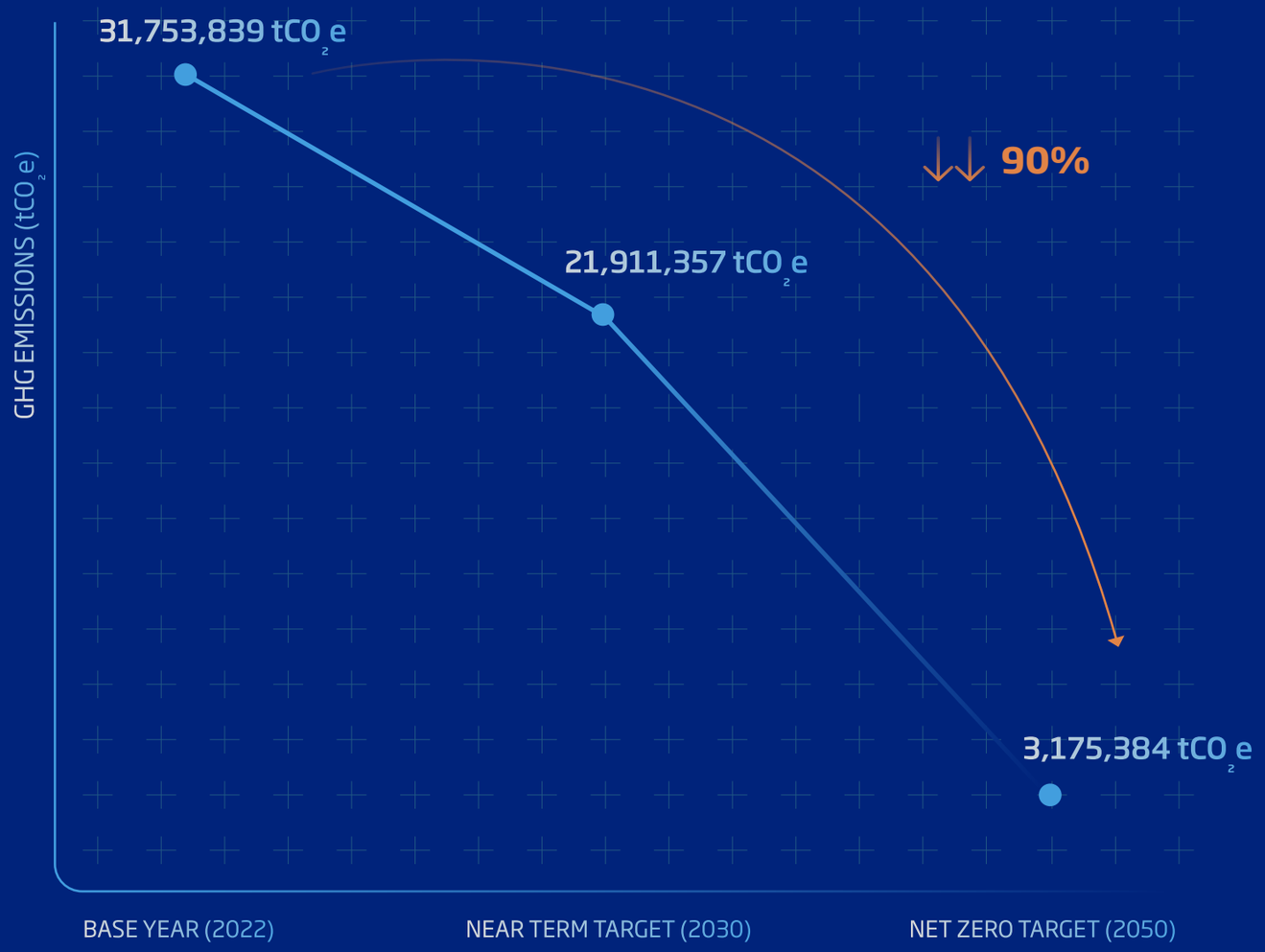
IN TOUCH WITH OUR PLANET

IN TOUCH WITH HUMAN NEEDS

IN TOUCH WITH BUSINESS

ANNEX

The Company's Net Zero Roadmap



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

**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.

NET ZERO ROADMAP IN DETAIL

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_p renewable energy capacity and starting to work towards surpassing 110 MW_p 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/m°K), fully VIP based insulation, injectable aerogel applications (3 mW/m°K)
- 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

↘ For further information regarding the targets and the actions already implemented towards the Company's Net Zero target, please refer to the GHG Emissions, Air Emissions, Energy Efficiency and Renewable Energy, Energy and Water Efficient Products and Supplier ESG Program sections of the Report.

↘ For further information, please refer to Sustainable Financing section of this Report.

CLIMATE ACTION

NET ZERO ROADMAP ALIGNMENT WITH STRATEGY

Our climate transition plan is a core component of our overall business strategy, driving innovation, operational excellence, and long-term value creation in a low-carbon economy. It is fully embedded across our strategic and financial planning.

Our officially validated and 1.5 degree aligned science-based targets are embedded across key business functions, including capital allocation, budgeting, and performance management, ensuring that climate action is operationalized at all levels. We prioritize investments that advance decarbonization within our strategic planning and investment review processes.

To ensure accountability and alignment, emission reduction targets are reflected in executive KPIs and compensation structures. Progress is evaluated through annual, cross-functional reviews that involve business units and sustainability, risk, and finance teams. This enables dynamic adaptation to evolving policy landscapes, market developments, and stakeholder expectations.

By embedding climate priorities across decision-making processes and financial systems, we ensure that our transition plan is not treated as a standalone initiative but as a foundational element of how we operate, grow, and create shared value.

GHG Emissions

We have been calculating our GHG emissions using IPCC and GHG Protocol guidelines* and this data has been verified by an independent organization in accordance with ISO 14064-3 Standard since 2010 until 2023. However, to be in line with changing regulations, we have started to use ISAE 3410 for the 2024 reporting year data.

We have been calculating our emissions since 2010 and the scope of calculations has expanded to include the organic and inorganic growth of the Company as well as items included in calculation. In 2019, we extended our GHG inventory to cover all related Scope 3 categories described in GHG Protocol.

In 2024, we incorporated GHG emissions data that reflects the significant structural change following our Company's merger with Whirlpool's operations in Europe, Middle East, and Africa (EMEA) region. This integration required the revision of our emissions reporting boundaries to ensure the accuracy, consistency, and completeness of our consolidated GHG accounting across the entire value chain and is also verified by a third party auditor.

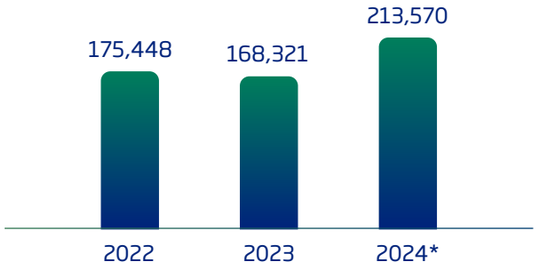
Decreasing Scope 3 emissions generated during products' use phase is a critical element of the Company's strategy towards its net zero emissions target. Thus, an in-house "Digital Scope 3 Sales Emissions Monitoring System" has been developed through the collaboration of the relevant teams from different departments. The system can calculate the use-phase emissions in 29 product categories including major and small home appliances and air conditioners, retrieving country-based sales and Stock Keeping Unit (SKUs) as well as product emissions data of 124 different countries.

↘ For further information regarding our air emissions, please refer to Annex 6. Environmental Performance Indicators.

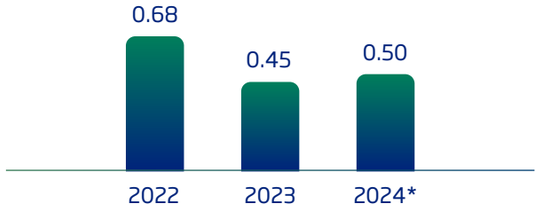
↘ For further information regarding Assurance and Verification of our GHG emissions, please refer to the Annex 3. Assurance Report section of the Report.

CLIMATE ACTION

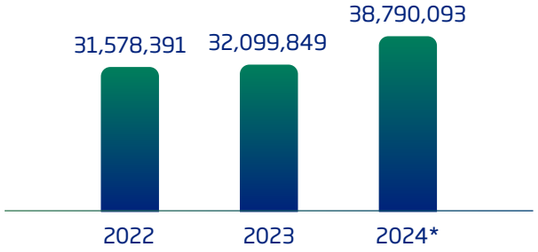
Scope 1 and Scope 2 GHG Emissions (tCO_2e)



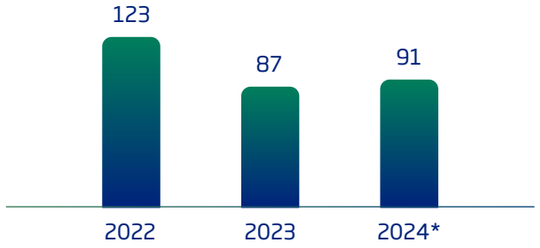
Scope 1 and Scope 2 GHG Emissions Intensity (tCO_2e/TRY million)



Scope 3 GHG Emissions (tCO_2e)



Scope 3 Emissions Intensity (tCO_2e/TRY million)



*The increase in 2024 values is due to the expansion of our operational scope.

Air Emissions

We measure air emissions to maintain air quality, and we share our results with the relevant official institutions. Emission values for all our facilities are within legal limits. We also ensure that our performance is evaluated by independent and accredited laboratories that measure the level of compliance with regulations.

↘ For further information regarding our air emissions, please refer to Annex 6. Environmental Performance Indicators.

CLIMATE ACTION

Energy Efficiency and Renewable Energy

We are focused on reducing our energy-related environmental impact by implementing a variety of energy efficiency projects and expanding the use of renewable energy. As of 2024, 61%* of our factories (including our headquarters) are ISO 50001 certified, and ISO 50001 EnMS surveillance audits are conducted annually by a third-party audit company. In addition, we periodically carry out detailed internal energy audits to identify energy efficiency potential within our manufacturing facilities.

LEED AND EDGE CERTIFICATION

The Company continues to lead in sustainable manufacturing by expanding its portfolio of environmentally certified production facilities. Through cutting-edge design, energy-efficient technologies, and international green building certifications–LEED, which evaluates overall building sustainability across areas such as energy use, water efficiency, indoor air quality, and materials, and EDGE, which focuses on measurable savings in energy, water, and materials–the Company reinforces its strong commitment to sustainability.

*In 2024, our Beko Thailand and Defy operations obtained ISO 50001 Energy Management System certification. However, due to the inclusion of new operations in the scope of the 2024 Integrated Report, the proportion of certified facilities appears to have decreased compared to 2023.

The Company's first Industry 4.0-based factory, the Washing Machine Plant in Romania, began operations in 2019 and was awarded the LEED Platinum Certificate, the highest level in the LEED green building rating system, for its efficient energy use, indoor air quality, and water-saving features. The new factories in Bangladesh and Egypt were built to meet LEED Gold standards and started operations in 2024. These facilities prioritize the use of natural daylight, energy monitoring systems and local or recycled materials, and are expected to save up to 50% energy compared to conventional facilities.

Additionally, the expansion project of the Company's Washing Machine Plant in Manisa has received the EDGE Advanced certification, demonstrating international-level environmental sustainability. Developed by the International Finance Corporation (IFC) and administered by Green Business Certification Inc. (GBCI), EDGE (Excellence in Design for Greater Efficiencies) is a global green building certification promoting efficiency in energy, water, and materials. EDGE Advanced is awarded to projects achieving at least 40% energy savings compared to conventional baselines. The 64,410 m² facility achieved 73% energy, 23% water, and 20% material savings through high-efficiency systems, water-saving measures, and eco-friendly materials. Additionally, a 10.2 MW_p rooftop solar plant meets 40% of the factory's electricity need, decreasing GHG emissions and reducing operational costs.

KEY PROJECTS

To achieve our energy and climate goals, we continuously invest in energy efficiency solutions across our operations. These efforts focus on enhancing performance in key areas such as insulation, waste heat recovery, transition to energy-efficient motors, and the optimization of systems including compressed air, heating, ventilation, air conditioning, and lighting. These projects help us prevent GHG emissions as well as obtain financial savings and decrease our energy intensity.

In 2024, we implemented a total of 332 energy-efficiency projects across our production sites, leading to an estimated energy saving of approximately 59,901 GJ. As a result of these efficiency improvements, we have been able to avoid emitting 5,800 tCO_2e.

Location	Project Qty	Energy Saving (GJ)	Prevented GHG Emissions (tCO_2e)	Financial Saving (TRY)
Türkiye	94	14,880	1,325	9,339,014
Russia	67	9,660	675	2,731,736
South Africa	10	2,143	291	1,356,172
Thailand	54	8,291	850	6,175,119
Pakistan	24	3,360	359	4,078,104
Bangladesh	2	600	36	186,153
China	3	656	108	672,712
Romania	13	1,835	124	1,527,465
Poland	32	10,823	1,569	14,577,005
Slovakia	20	3,870	195	3,601,002
Italy	13	3,785	269	4,481,051

CLIMATE ACTION

Centralized Chiller Project

At the Dawlance plant in Pakistan, multiple small-scale chillers previously serving the foam and thermoforming departments were decommissioned and replaced with a centralized chiller system to meet the cooling demands of these areas.

This upgrade enabled the system to operate with a higher Coefficient of Performance (COP), while also enhancing control capabilities to minimize idle energy consumption.

With this project, we have saved 165,640 kWh electricity and prevented 66 tCO_2e emissions.

Energy Efficiency in Compressed Air Systems

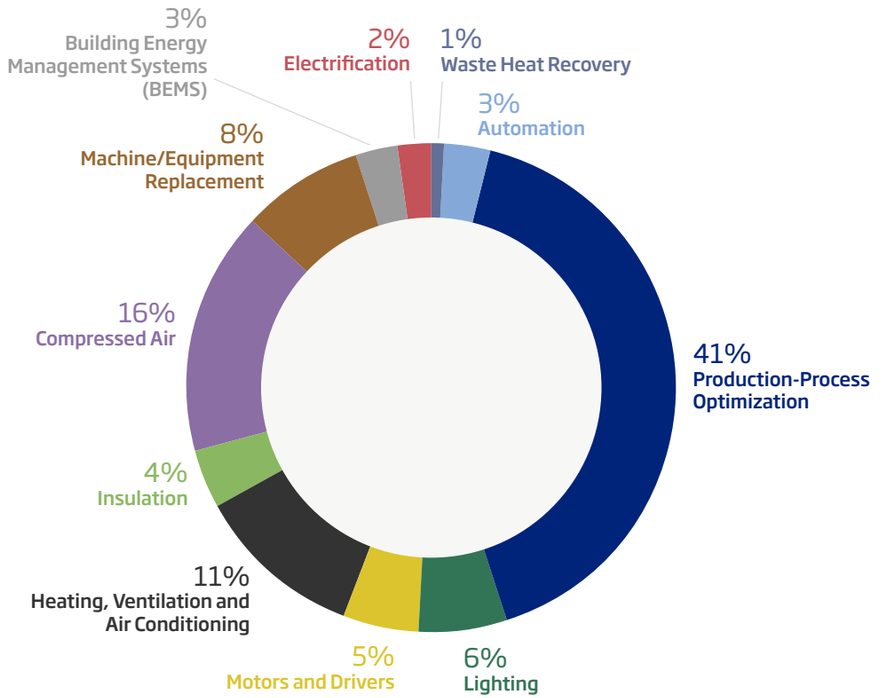
At the Arctic Gaesti Refrigerating Appliances Plant, a buffer tank was integrated into the compressed air system serving the metal sheet cutting lines, effectively reducing pressure fluctuations and minimizing compressed air losses.

With this project, we have saved 38,540 kWh electricity and prevented 11 tCO_2e emissions.

Furnace Operation Optimization

At the Ankara Dishwasher Plant, the operating temperatures and cycle durations of the bitumen furnaces on the drum production line were optimized through the implementation of an advanced automation system. This improvement eliminated unnecessary idle running of the furnaces, enhancing both energy efficiency and process control.

With this project, we have saved 88,040 kWh electricity and prevented 37 tCO_2e emissions.



CLIMATE ACTION

GREEN ELECTRICITY AND RENEWABLE ENERGY

In 2024, our green electricity ratio is 60.5% in our manufacturing operations. We will increase this ratio to 100% by 2030 in line with our sustainability targets. While Türkiye manufacturing facilities used 100% green electricity, Arçelik Hitachi Thailand plant met approximately 26% of its annual electricity consumption from a long-term PPA (Power Purchase Agreements) with floating solar PV plant in 2024.

As of the end of 2024, thanks to the photovoltaic solar systems, established on our roofs, concentrated solar power plant, solar wall technologies, and, ground-mounted solar power plants commissioned in Aksaray and Kayseri, we have reached a total renewable energy capacity of 90.2 MW_p. Thanks to these projects, 114,260 GJ of electricity was generated, 13,416 tCO_2e emissions were prevented, and TRY 107,209,851 financial saving was generated.

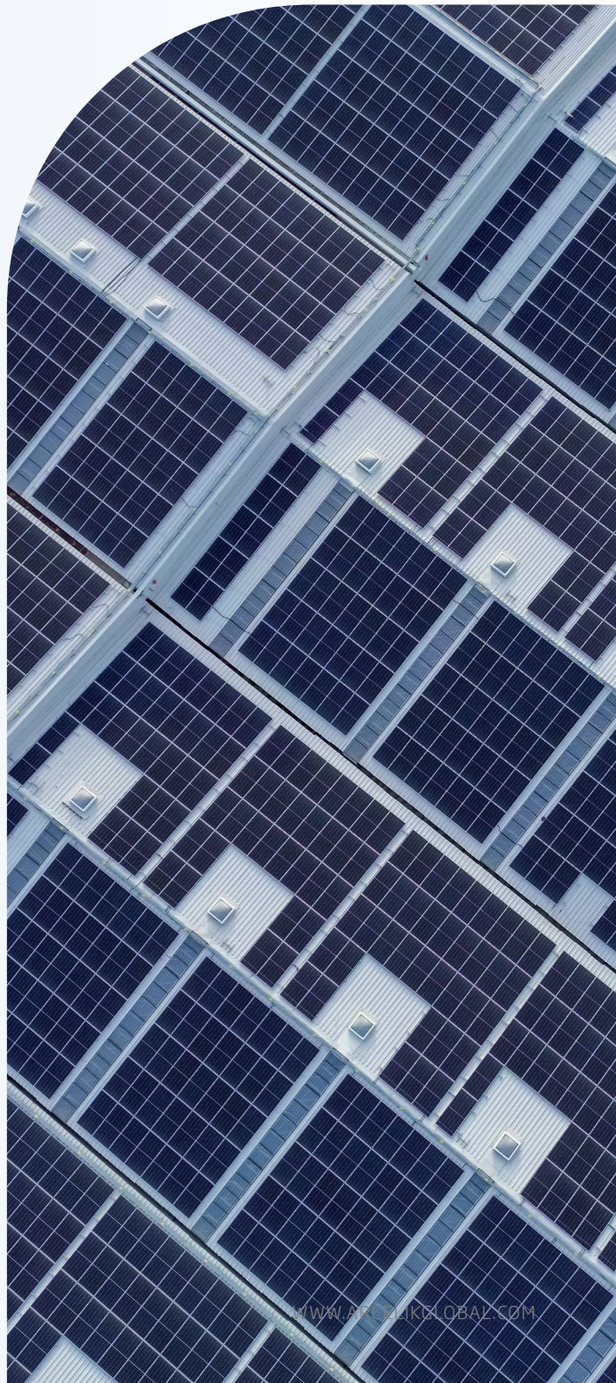
Aksaray and Kayseri Solar Power Plants have a total installed capacity of 53.72 MW_p and cover an area of 52 hectares. These field type solar plants are equipped with approximately 92,000 Arçelik solar panels with TOPCon bifacial technology.

INTERNAL CARBON PRICING: SHADOW PRICE

We use an internal carbon pricing mechanism to identify investment costs more accurately by taking into account a possible climate transition scenario where Emissions Trading Systems (ETS) or a potential additional cost mechanism for some raw materials may come into force within the framework of the EU Green Deal. Considering these scenarios and implementing an internal carbon pricing mechanism as a strategic decision-making component related to capital investments paves the way for reducing financial risks that may arise in the short and medium term.

We use Shadow Price internal carbon pricing mechanism with a price of EUR 50 per tCO_2e applied for the machinery and equipment investments above 50 kW installed capacity and EUR 50,000 capital cost. Using this mechanism helps us change internal behaviour, especially in purchasing practices. By using a carbon price, we drive low carbon investments and identify which investments offer low carbon opportunities, navigate risks related to GHG regulations and stress test major risk items. We also encourage our suppliers to use internal carbon pricing to spread the best practices throughout the value chain and enhance supplier engagement and awareness.

Additionally, we conduct cost-benefit analyses to support investment decisions and ensure that climate-related considerations are incorporated into both strategic planning and financial forecasting. The internal carbon price also supports our ability to incentivize the inclusion of climate-related risks into our broader risk assessment framework, further reinforcing the integration of sustainability into core business processes. It also supports our efforts toward setting and achieving climate-related targets, acting as a financial driver toward our long-term decarbonization strategy. In addition, our internal carbon pricing framework helps drive energy efficiency across operations by prioritizing investments and actions that lead to lower energy consumption and reduced emissions.



WATER MANAGEMENT

Reducing the water footprint of our operations is one of our top priorities alongside an effective water risk identification and management. As an industry-leading company, we leverage the latest technologies to decrease our water withdrawal in all our manufacturing facilities and utilize the latest datasets and tools for water risk management.

All these efforts are guided by our Water Policy, which is an integral part of our Environmental Policy as well as our Energy, Health and Safety, Quality, and GHG Management Systems, following our sustainability approach in line with our Global Code of Conduct. Through this policy, we commit to reduce water withdrawal, increase water efficiency, recycling, and reuse; minimize water footprint of products, raise environmental awareness and support water stewardship.

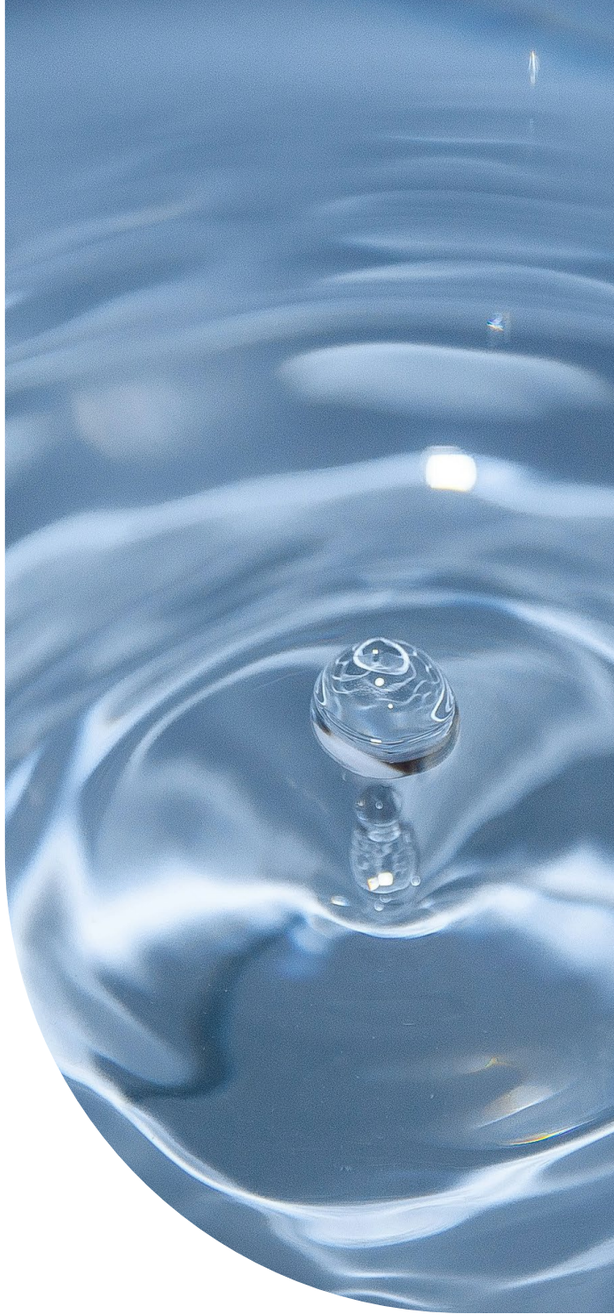
In line with our policy and sustainability approach, we set our targets and manage our water performance via international management systems such as ISO 14001 EMS Certification.

The Sustainability Council (SC) is the top management level committee responsible for the management of all environmental management issues, including water, in line with business strategies, risks and opportunities. In the first stage, the company-level water targets and goals are identified by the SC and then distributed to the related bodies at country level and site/facility level. The SC, chaired by our CFO, meets quarterly to monitor progress on these targets and discusses the water strategy, major plans, and actions for the following year's plan.

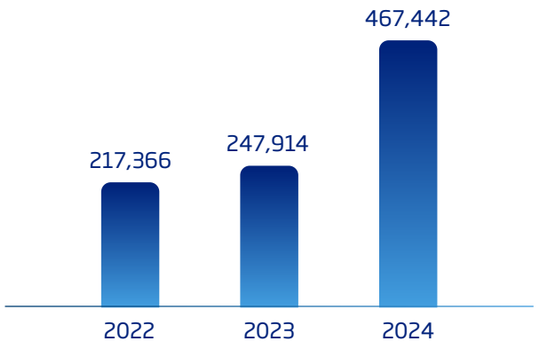
In addition to water usage, we treat discharged water according to its characteristics in chemical and biological treatment facilities in all the regions where we operate. This ensures that discharged wastewater remains below legal discharge limits to protect water resources and biodiversity in the regions, and we periodically check compliance with these standards.

↗ For further information, please refer to our Water Policy.

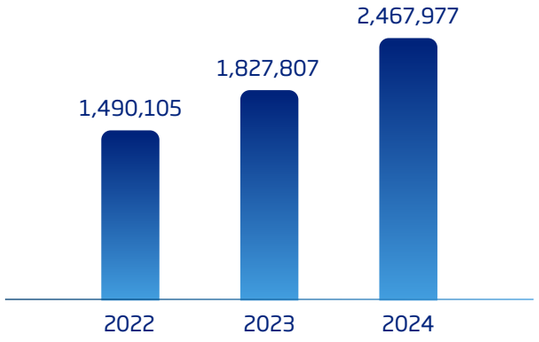
↘ For further information, please refer to Annex 6. Environmental Performance Indicators.



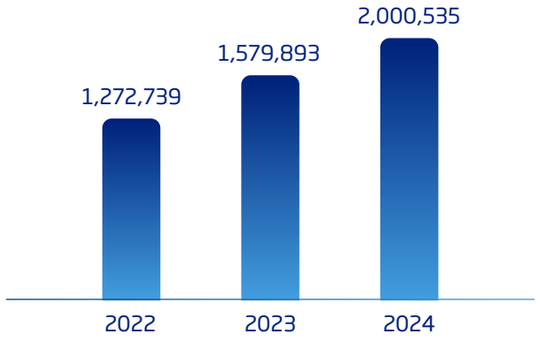
Water Consumption (m³)



Water Withdrawal (m³)



Water Discharge (m³)



WATER MANAGEMENT

CEO Water Mandate

As part of our water management approach, we have become one of the 200+ companies that signed the CEO Water Mandate in 2022. CEO Water Mandate is a UN Global Compact Initiative, and a commitment platform for business leaders and learners to advance water stewardship. We commit to meeting the expectations of the CEO Water Mandate and report on our progress annually.

Thus, we are committed to take action in the following areas:

- Direct Operations
- Supply Chain and Watershed Management
- Collective Action
- Public Policy
- Community Engagement
- Transparency

As a part of our commitments, we established a partnership with Water.org in 2022 to support a community program that will empower 10,000 Kenyans in need of access to safe water and sanitation solutions.

↘ For further information, please refer to the Sustainability Targets and Corporate Volunteerism section of the Report.

Water Efficiency Efforts

In 2024, we saved a total of 223,650 m³ of water, thanks to 7 water efficiency and rainwater harvesting projects carried out at various locations.

KEY PROJECTS

Manufacturing Facility	Location	Project Quantity	Project Type	Amount of Water Saved in 2024 (m³)	Financial Saving (TRY)
Arçelik Cooking Appliances Plant	Bolu,Türkiye	1	Recycling and reusing wastewater	5,000	14,000
Arctic Washing Machine Plant	Ulmi, Romania	1	Rainwater Harvesting	2,000	598,814
Refrigerator and TV Plant	Karachi, Pakistan	1	Recycling and reusing wastewater	210	10,428
Washing Machine, A/C and Cooking Appliances Plant	Karachi, Pakistan	2	Recycling and reusing wastewater	338	24,874
Refrigerator Plant	Hyderabad, Pakistan	1	Recycling and reusing wastewater	100	2,159
Defy Cooking Appliances, Dryer and Washing Machine Plant	Jacobs, South Africa	1	Recycling and reusing wastewater	618	551,206

WATER MANAGEMENT

Water Risk Management

We work to identify water risks, in regions of operation as well as throughout the value chain in order to take necessary actions for mitigation. Our Environment Working Group (WG) is responsible for water risk management. The WG conducts water stress analysis for our manufacturing facilities as well as our suppliers. With the help of related finance and strategic planning departments, the possible financial impact of the risk is calculated. The water risk related assessments are regularly reported to the Sustainability Council (SC) and Early Detection of Risk Committee, at least twice a year, prioritizing them in accordance with Arçelik's risk scoring methodology and take decisions for strategy change or mitigation action when necessary. As a result of this process, we revise our water management plans accordingly.

↘ For further information regarding Arçelik's quantitative water risk calculations, please refer to Climate-Related Risks and Opportunities section of the Report.

SCENARIO ANALYSIS AND ADAPTION PLAN FOR WATER RISKS

Arçelik has been conducting risk analysis on potential operational and financial impacts of climate related physical risks from the perspective of extreme heatwaves, cold waves, water stress, water scarcity, drought, flood, sea level rise, hurricanes and wildfires. Arçelik utilizes both its own resources as well as the third-party consultants' know-how. The data used in risk computations include the International Panel on Climate Change (IPCC)'s Representative Concentration Pathways (RCP) as well as WWF Water Risk Filter and the WRI Aqueduct Water Risk Atlas for 2030 using optimistic, business-as-usual, pessimistic scenarios.

The risk analysis focuses on Arçelik's own operations as well as that of its raw material suppliers.

We have set our water related targets for all our manufacturing facilities in line with our commitment to water stewardship. In terms of water efficiency, we aim to reduce water withdrawal per product to 10% by 2030 and 25% by 2040. Additionally, we are committed to reducing our water discharge to 10% by 2030 and 25% by 2040. As a risk adaptation plan, we have also set our 2030 and 2040 target to increase the water recycling and reuse ratio to 25% and 35% in all manufacturing facilities.

For effective water management in our value chain, we collect water withdrawal and discharge data and 2030 targets from our critical Tier 1 suppliers. We collected data from 283 suppliers and 53 suppliers set their water withdrawal or water reuse and recycling targets. Our goal is to reach the suppliers within our 90% of purchasing volume and ensure that they set their own water related targets by 2030.

WATER MANAGEMENT

SCENARIO ANALYSIS AND ADAPTION PLAN FOR WATER RISKS

Water Stress Based on WRI Aqueduct Water Risk Atlas	Water Withdrawal (m^3)	% of Total Water Withdrawal	Water Discharge (m^3)	% of Total Water Discharge	Water Consumption (m^3)	% of Total Water Consumption	Operations
High Water Risk Locations	493,539	20%	424,569	21%	68,970	15%	Ulmi, Romania - Arctic Washing Machine Plant Gaeşti, Romania - Arctic Refrigerator Plant Gebze, Türkiye - Arçelik LG Plant Istanbul, Türkiye - Washing Machine Plant Kirzhach, Russia - BEKO LLC Refrigerator and Washing Machine Plant Rayong, Thailand - Refrigerator Plant
Extremely High-Water Risk Locations	907,764	37%	678,815	34%	228,950	49%	Gujarat, India - Voltbek Refrigerator Plant Karachi, Pakistan - Refrigerator and TV Plant Karachi, Pakistan - Washing Machine, A/C and Cooking Appliances Plant Dhaka, Bangladesh - Refrigerator Plant Dhaka, Bangladesh TV, A/C and Washing Machine Plant Shanghai, China - Arçelik Hitachi Washing Machine Plant Radomsko, Poland - Beko Europe Radomsko Washing Machine and Dryer Plant Radomsko, Poland - Beko Europe Radomsko Dishwasher Plant Lodz, Poland - Beko Europe Lodz Tumble Dryer Plant Lodz, Poland - Beko Europe Lodz Cooking Appliances Plant Melano, Italy - Beko Europe Melano Cooking Appliances Plant Comunanza Washing Machine and Dryer Plant Siena, Italy - Beko Europe Siena Refrigerator Plant Eskişehir, Türkiye - Compressor Plant Eskişehir, Türkiye - Refrigerator Plant Ankara, Türkiye - Dishwasher Plant 10th of Ramadan, Egypt - Beko Egypt Cooking Appliances, Refrigerator and Dishwasher Plant Kabin Buri, Thailand - Arçelik Hitachi Refrigerator Plant Kabin Buri, Thailand - Arçelik Hitachi Washing Machine Plant Manisa, Türkiye - Refrigerator Plant Manisa, Türkiye - Washing Machine Plant

WATER MANAGEMENT

SCENARIO ANALYSIS AND ADAPTION PLAN FOR WATER RISKS

Scenario	Locations with High Water Stress	Locations with Extremely High-Water Stress
RCP 2.6	Ulmi, Romania - Arctic Washing Machine Plant	Gujarat, India - Voltbek Refrigerator Plant
	Gaeşti, Romania -Arctic Refrigerator Plant	Karachi, Pakistan - Refrigerator Karachi, Pakistan - Washing Machine, A/C and Cooking Appliances Plant
	Gebze, Türkiye -Arçelik LG	Dhaka, Bangladesh - Refrigerator Plant Dhaka, Bangladesh - TV, A/C and Washing Machine Plant
	Istanbul, Türkiye -Washing Machine Plant	Siena, Italy - Beko Europe Siena Refrigerator Plant
	Kirzhach, Russia - BEKO LLC Refrigerator and Washing Machine Plant	10th of Ramadan, Egypt - Beko Egypt Cooking Appliances, Refrigerator and Dishwasher Plant
	Rayong, Thailand - Refrigerator Plant	Eskişehir, Türkiye- Compressor Plant
		Eskişehir, Türkiye - Refrigerator Plant
		Kabin Buri, Thailand - Arcelik Hitachi Refrigerator Plant Kabin Buri, Thailand- Arcelik Hitachi Washing Machine Plant
		Manisa, Türkiye- Refrigerator Plant Manisa, Türkiye - Washing Machine Plant
		Comunanza, Italy - Beko Europe Comunanza Washing Machine and Dryer Plant
		Melano, Italy - Beko Europe Melano Cooking Appliances Plant
		Ankara, Türkiye - Dishwasher Plant
		Lodz, Poland - Beko
		Lodz, Poland - Beko
		Radomsko, Poland - Beko Europe Radomsko Dishwasher Plant
		Radomsko, Poland - Beko Europe Radomsko Washing Machine and Dryer Plant
		Shanghai, China - Arçelik Hitachi Washing Machine Plant

Scenario	Locations with High Water Stress	Locations with Extremely High-Water Stress
RCP 7.0	Shanghai, China - Arçelik Hitachi Washing Machine Plant	Gujarat, India - Voltbek Refrigerator Plant
	Ulmi, Romania - Arctic Washing Machine Plant	Karachi, Pakistan - Refrigerator and TV Plant Karachi, Pakistan - Washing Machine, A/C and Cooking Appliances Plant
	Gaeşti, Romania - Arctic Refrigerator Plant	Dhaka, Bangladesh - Refrigerator Plant Dhaka, Bangladesh TV, A/C and Washing Machine Plant
	Istanbul, Türkiye - Washing Machine Plant	Siena, Italy - Beko Europe Siena Refrigerator Plant
	Kirzhach, Russia - BEKO LLC Refrigerator and Washing Machine Plant	Manisa, Türkiye - Refrigerator Plant Manisa, Türkiye - Washing Machine Plant
	Rayong, Thailand - Refrigerator Plant	Kabin Buri, Thailand - Arcelik Hitachi Refrigerator Plant Kabin Buri, Thailand - Arcelik Hitachi Washing Machine Plant
	Gebze, Türkiye - Arçelik LG	Eskişehir, Türkiye - Refrigerator Plant
		Comunanza, Italy - Beko Europe Comunanza Washing Machine and Dryer Plant
		Melano, Italy - Beko Europe Melano Cooking Appliances Plant
		10th of Ramadan, Egypt - Beko Egypt Cooking Appliances, Refrigerator and Dishwasher Plant
		Ankara, Türkiye - Dishwasher Plant
		Lodz, Poland - Beko Europe Lodz Cooking Appliances Plant
		Lodz, Poland - Beko Europe Lodz Tumble Dryer Plant
		Radomsko, Poland - Beko Europe Radomsko Washing Machine and Dryer Plant

Scenario	Locations with High Water Stress	Locations with Extremely High-Water Stress
RCP 8.5	Lodz, Poland - Beko Europe Lodz Cooking Appliances Plant	Gujarat, India - Voltbek Refrigerator Plant
	Lodz, Poland - Beko Europe Lodz Tumble Dryer Plant	Karachi, Pakistan - Refrigerator and TV Plant Karachi, Pakistan - Washing Machine, A/C and Cooking Appliances Plant
	Radomsko, Poland - Beko Europe Radomsko Washing Machine and Dryer Plant	Dhaka, Bangladesh - Refrigerator Plant Dhaka, Bangladesh - TV, A/C and Washing Machine Plant
	Shanghai China - Arçelik Hitachi Washing Machine Plant	Siena, Italy - Beko Europe Siena Refrigerator Plant
	Kirzhach, Russia - BEKO LLC Refrigerator and Washing Machine Plant	Manisa, Türkiye - Refrigerator Plant Manisa, Türkiye - Washing Machine Plant
	Istanbul, Türkiye - Washing Machine Plant Gebze, Türkiye - Arçelik LG	Eskişehir, Türkiye - Compressor Plant
	Ulmi, Romania - Arctic Washing Machine Plant	Eskişehir, Türkiye - Refrigerator Plant
	Gaeşti, Romania - Arctic Refrigerator Plant	Kabin Buri, Thailand - Arcelik Hitachi Refrigerator Plant Kabin Buri, Thailand - Arcelik Hitachi Washing Machine Plant
	Rayong, Thailand - Refrigerator Plant	Comunanza, Italy - Beko Europe Comunanza Washing Machine and Dryer Plant
		Melano, Italy - Beko Europe Melano Cooking Appliances Plant
		10th of Ramadan, Egypt - Beko Egypt Cooking Appliances, Refrigerator and Dishwasher Plant
		Ankara, Türkiye Dishwasher Plant

WATER MANAGEMENT

INTERNAL WATER PRICE

Arçelik uses the Internal Water Price to encourage investments in water infrastructure and determine the real price of water. We calculate internal water prices (IWP) for each facility separately through determining the current water stress via Aqueduct tool and modelling this for 2024, 2030 and 2050 for three different scenarios (business as usual, optimistic and pessimistic scenario). We implemented a strategy where the cost of water usage is adjusted based on the level of water stress experienced by local watersheds. This method is grounded on a stress level scoring system, ranging from 1 to 5, with 1 indicating abundant water availability and 5 signalling severe scarcity. Accordingly, for well water sources, the cost increment due to stress levels can vary between 5% and 65%, whereas for municipal water, the increase ranges from 10% to 70%. Also, IWP calculation includes monthly water bills, operational expenses, inflation rates and other direct/indirect water and wastewater prices. In 2024, total unit prices including IWP of our facilities change between 75-230 TRY/m^3. These values were calculated based on data of two of our production plants with extremely high water stress.

WASTE MANAGEMENT

We monitor our waste according to European Waste Codes (EWC) on a monthly basis from each production facility. The collected data is consolidated by the Central Environment Department for any possible improvements and shared with internal and external stakeholders.

With an improvement perspective, we adopt the near-zero waste approach during our waste management efforts. Our near-zero waste concept aims to reduce, reuse, and recycle the waste, and minimize all waste where landfill and non-energy recovery incineration are applied.

In line with this, we have set a target to increase the waste recycling rate to 99% by 2030, in all manufacturing facilities. Additionally, the diversion rates of waste to landfill in 2024 were 98.5% which has a third-party assurance.

↘ For further information, please refer to Annex 3. Assurance Report.

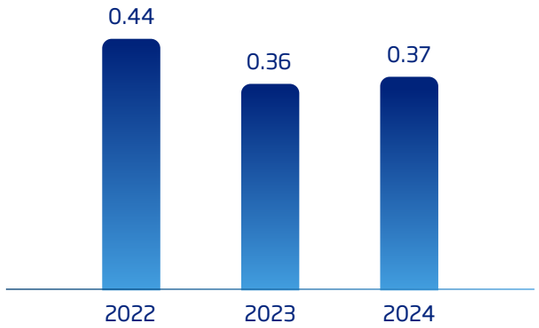
↘ For further information regarding our quantified target and progress, please refer to the Sustainability Targets section of the Report.

The amount of investment in 2024 for waste reduction projects in production and product development stage was TRY 3 million.

To be able to reach our near-zero waste target with our integrated waste management approach, we identified areas to improve our performance and planned a roadmap. In this regard, we:

- Make resource efficiency improvements and invest in technologies that reduce the amount of virgin raw materials used,
- Prevent and reduce operational waste,
- Minimize overall chemical consumption and waste generation by redesigning product manufacturing processes,
- Improve the effectiveness of separating waste at the source, and
- Increase the rate of waste sent to recycling and energy recovery instead of landfill.

Waste Intensity (tonnes/TRY million)



KEY PROJECTS

In 2024, we prevented a total of 374 tonnes of waste, thanks to two waste reduction, reuse, and recycling projects carried out at various locations.

↘ For further information, please refer to Annex 6. Environmental Performance Indicators.

Manufacturing Facility	Location	Project Quantity	Project Type	Amount of Waste prevented in 2024 (tonnes)	Financial Saving (TRY)
Washing Machine, A/C and Cooking Appliances Plant	Karachi, Pakistan	1	Reducing waste by doing segregation of floor sand	9	10,755
Arcelik Hitachi Refrigerator Plant	Kabin Buri, Thailand	1	Reducing the weight of the sludge by making the sludge drier using a more efficient dewatering machine (changing the belt dewatering machine to a filter press).	365	831,948

CHEMICALS MANAGEMENT

The global regulations relating to chemicals and chemicals in products are monitored by the central chemical management department under the Environment Department and shared with all subsidiaries (green chemistry team members) to meet customer requirements all over the world. Regulations governing the use of chemicals in products, as well as the risks and opportunities associated with compliance with these regulations, are assessed yearly by the Green Chemistry Working Group.

Product Related Chemicals Management

At Arçelik, we care about the safe process chemical management, use, transportation, storage, and disposal of chemicals in our entire supply chain to reduce the impact of our production processes on the environment and people as much as possible. Our chemical risk approach methodology focuses on identifying, assessing, and managing the potential hazards associated with the substances used in our products. We follow a systematic process that includes reviewing materials for compliance with relevant regulations, evaluating the toxicity and environmental impact of substances, and conducting regular risk assessments to ensure that we meet safety and environmental standards.

We apply certain procedures to our products in accordance with Arçelik Chemical Compliance Specification and national chemical requirements. The procedures we apply cover issues such as supplier contribution, parts assurance, and labor. There are also EU directives and regulations such as the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which are applied during the development of part of products and during mass production.

Firstly, we expect our suppliers to fully understand the global regulations and directives and approve the contract of which they are a part. In our contracts with suppliers, we also require suppliers to provide the necessary documentation as outlined in the annexes of our Chemical Compliance Specification. We expect our suppliers to comply with all legal requirements from the beginning of the contract.

As a second step, when our suppliers are going to produce a new part, we require the relevant documents to be re-evaluated to ensure compliance with the legislation. We conduct various chemical tests to check the accuracy of the reports that we received from suppliers. Additionally, the compliance of parts in mass production is continuously monitored through sampling and testing by qualified staff in the Company's laboratories using a risk-based approach. In addition, finished products are tested in laboratories certified to the ISO/IEC 17025 standard.

We have taken steps further beyond regulations to provide perfect customer satisfaction and produce ecofriendly home appliances. In line with the new Swedish Chemical Tax, we are actively working to develop non-halogenated products to benefit from tax deduction. As a result of these efforts, we achieved a 50% tax deduction, meaning our products contain no bromine and chlorine. The products contain PVC (polyvinyl chloride) free components such as power cords, cables, hoses, and gaskets. All flame-retardant substances have been substituted with non-halogenated alternatives that are safer for both the environment and human health compared to halogenated options. ECHA (European Chemical Agency) published a report on the European Regulatory Road Map Related Flame Retardants in March 2023. ECHA aims to ban certain brominated flame retardants to protect the environment. The Company has begun developing a strict roadmap to phase out certain brominated flame retardants from our products in parallel with ECHA.

To enhance chemical management capabilities and proficiency, we have implemented the following activities and ensured each activity has a high level of participation.

- Regulation and testing training programs
- Q-Star audits at all our subsidiaries globally
- Periodic workshops to enhance knowledge-sharing and compliance

As part of our commitment to regulatory compliance and environmental responsibility, we track the percentage of revenue generated from products containing substances regulated under major safety and environmental regulations.

CHEMICALS MANAGEMENT

Production Related Chemicals Management

To indicate the important properties of the chemical needed, legal and Arçelik specification requirements have been prepared in a technical specification and shared with chemical suppliers. Preliminary evaluations have been performed on the chemical SDS and occupational health and safety (OHS) legislation and Arçelik A.Ş. criteria. As a specific measure during the evaluation phase, using toxic chemicals in the production is prohibited. In the light of information from the SDS, we have chosen and purchased the appropriate chemicals. Environmental specialists in our production facilities have carried out the investigations below, assisted if needed by the central chemical management team:

- Transport of chemicals
- Chemicals inventory list
- Chemicals risk assessments
- Labelling and marking of chemicals
- Providing and storing SDS
- Storage of chemicals
- Training by the chemical supplier
- Preparation of environmental and occupational accident and emergency action plans

After using chemicals, the most appropriate disposal method is chosen and applied.

Management of Banned or Restricted Chemicals

- Determination of regulations and other requirements
- Assessment of Compliance with Regulations and Other Requirements
- Assessment of Compliance in Supplied Raw Materials/ Components/ Material
- Assessment of Finished Products
- Assessment of Customer Requests

Chemicals Compliance

The regulations and other requirements related to chemicals management issues in the scope of Arçelik's activities, products and services are defined by the Environment Department.

The Environment Department follows defined regulations and other requirements via various bodies (TR Official Journal, EU Official Journal, ECHA etc.). After preassessment, changes are shared with Green Chemistry Team members. Green Chemistry Team members announce the new developments with the related department in their facilities or directorates. In addition to regulations for product related chemicals, customer and market requests are followed and evaluated by the Environment Department and those responsible for Green Chemistry.

↘ For further information regarding training in chemicals, you can refer to Annex 9. Social Performance Indicators.

Chemicals Management Training

Chemicals training includes product and production related chemical management topics.

For product related chemical training, an external third party has developed regulation training on ROHS, REACH, POP (Persistent Organic Pollutions), PAH (Polyaromatic Hydrocarbons), and national legislation, and production related chemical training was performed on safety data sheets (SDS).

Production related chemical training covers topics such as health and safety implications, hazardous chemical classification and labeling, SDS, chemical storage, general safety rules and behaviors, environmental accidents and emergencies/emergency drills, and other OHS related topics.

All personnel are responsible for the general information mentioned and participate in the training. In addition to general information, those working with chemicals are informed about the rules to follow as part of the work and operating instructions. The HR officer and the relevant unit officer also participate in the training. The company, together with the environment and OHS officials and the workplace doctor, decides the information to be included in the training.

BIODIVERSITY

Being aware of the vital importance of natural ecosystems for all of us, we aim to protect biodiversity through initiatives towards our commitments. At Arçelik, we recognize biodiversity loss as a one of the global issues which is under pressure. Within this regard, we have assessed our biodiversity risk within the scope of our own operations, adjacent areas to address our nature-related impacts and dependencies based on emerging frameworks including Science Based Targets for Nature (SBTN) and Taskforce on Nature-related Financial Disclosures (TNFD).

Our assessment covers industry-based nature-related impacts and dependencies as well as location-based approach. The first step of the assessment includes mapping the business footprint of our own operations to implement a location-based approach. The geo-mapping of our manufacturing facilities has been carried out using the Integrated Biodiversity Assessment Tool (IBAT). The locations were assessed based on IUCN Red List of Threatened Species that potentially occur, Protected Areas, Key Biodiversity Areas within 50 km of this site.

The material impacts of our industry have been defined through SBTN's Materiality Screening Tool which is based on Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE). According to the result of our materiality assessment through the Screening Tool, the pressure categories are indexed higher and rated as material for GHG emissions, water use, water/ soil/ solid pollutants, which are categorized under nature related issue areas which are climate change, resource use, pollution, respectively. We also utilized WWF Biodiversity Risk Filter for industry-based impacts and dependencies. On this assessment, water scarcity is found as the most significant physical risk in terms of water-dependency of our industry. Since the results also show that the environmental factor in our industry have impacts on protected areas and key biodiversity areas, we collected all relevant findings to act upon.

The nature-related impacts have been further assessed, and our manufacturing facilities have prioritized based on climate change and water use which are found to be the most critical nature-related issues in terms of impact. Besides, the nature-related dependency of the manufacturing facilities has been assessed relatively lower. However, water use is an interrelated factor for impact and dependency, as water use can create pressure on ecosystem services, while water use has a dependency for our business to continue without disruptions. Since the Company uses groundwater at a limited number of locations, it has qualitatively nature-related impact and dependency. In addition, a proximity to high biodiversity of our manufacturing facilities factor is another crucial aspect we take into consideration both from the perspective of nature-related impacts and dependencies.

We also considered biodiversity loss within our double materiality analysis as well as enterprise risk assessment. Based on the results of double materiality analysis, biodiversity was found as non-material in 2024. Within the scope of risk assessment, biodiversity loss was addressed to define the term, likelihood, financial impact of the relevant risks and opportunities. In this regard, overall biodiversity-related risk of the Company was identified as long term, unlikely and low financial impact.

As part of the proactive strategy, the Company adopts the Mitigation Hierarchy to actively prevent, minimize, and mitigate biodiversity threats on a continuous basis. The pressure on biodiversity stemming from climate change and resource usage is aimed to be reduced by our long-term sustainability targets such as reaching net zero emissions and decreasing water withdrawal and increasing water recycling and reuse ratio. Arçelik aims to work to improve biodiversity footprint towards No Net Loss as of 2050 especially in selected priority areas such as areas in close proximity to key biodiversity areas. Such actions will include calculating the biodiversity footprint of the area, designing projects that will help increase biodiversity of endangered or vulnerable species classified by IUCN Red List or national declarations and measure the improvements against the initial footprint. With this focus on biodiversity protection, we will cooperate with third parties specialized in biodiversity protection if necessary.

BIODIVERSITY

We had two manufacturing facilities adjacent to protected areas in different countries in 2024. We prioritized our manufacturing facility in Ulmi, Romania, since the Company has a manufacturing facility on 431,369 m² area that is adjacent to biodiversity-sensitive area, Natura 2000, which is known as Birds Directive Special Protection Area (SPA). In the region of our manufacturing facility in Ulmi, we have been already required to measure PM10, NO_2, and SO_2 quarterly under the National Air Quality Act 104/2011. In 2021, Arçelik has committed to go beyond by setting its roadmap with EPC Consultanță de Mediu, an environmental consulting company specializing in biodiversity conservation. The impact on nature has been found to be limited. However, three objectives and key strategies have been defined to create improvement for the habitat conditions of the land under the Company's responsibility. We have the ambition to improve the biodiversity on the site of Ulmi factory by implementing actions to reduce pressures and support the natural development of habitats by 2027. In 2023, the actions determined as a result of the study were implemented on the factory area owned by the Company.

The priority species within the study are determined as follows: Plant species; Aquatic insects; Grassland species; Amphibian species; Reptile species; Aquatic bird species; Predatory bird species; Small mammals; Medium-sized mammals; Bat species.

↘ For further information regarding actions taken against climate change, please refer to the Climate Action section of the Report.

↘ For further information regarding managing water-related risks, please refer to the Water Risk Management section of the Report.

↗ For further information regarding our policy, please refer to our Biodiversity and No Deforestation Policy.

↗ For further information, please refer to our website.

No Deforestation

Forests offer nature-based solutions to many global challenges, from combatting climate change, biodiversity loss, to building resilience against future crises. At Arçelik, we are working to eliminate deforestation within our supply chain in line with our Biodiversity and No Deforestation Policy. As a result of our deforestation assessment, we focused on paper and wood-based packaging materials for our products. Therefore, our assessment covers upstream activities.

We are committed to no gross deforestation from our operations' activities by 2050. We incorporate the following principles to achieve this goal:

- Continue to only use paper/cardboard/ wooden packaging from more sustainable sources certified by global third-party certification systems such as Forest Stewardship Council (FSC) or other national schemes under the framework of the Program for the Endorsement of Forest Certification (PEFC) for our products packaging.
- 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 our significant suppliers* to switch to recycled cardboard outer boxes for their products.

*Corresponding to 90% of purchasing volume.

↗ For more information about our policy, please refer to our Biodiversity and No Deforestation Policy.

PRODUCT STEWARDSHIP

We drive innovation in products and services to advance toward a closed-loop circular economy. This is achieved by enhancing recyclability, increasing the use of recycled materials in both products and packaging, reusing components, eliminating harmful substances, and ensuring effective end-of-life management through take-back and recycling programs. We also focus on extending product lifespans by improving durability, repairability, and reusability, while offering alternative end-of-life solutions to support a circular economy.

PRODUCT DESIGN AND RAW MATERIAL SELECTION
While designing our products, we strive to prevent waste generation by using less material and focus on selecting more sustainable materials.

END OF LIFE
We provides efficient recovery and recycling services, offering customers secure and convenient options to retire and recycle their products, minimizing e-waste and reducing the need for new raw materials.

PRODUCT MANUFACTURING
We enhance manufacturing by optimizing processes, improving efficiency, and fostering collaboration to drive innovation and sustainability.

REPAIR AND REFURBISHMENT
By designing long-lasting, durable, and easily repairable products, we extend their lifespan, reducing the need for new manufacturing and minimizing environmental impact.

PRODUCT PACKAGING
We are working to reducing our products' packaging volume and weight to minimize waste, increasing the recycled content, and selecting easily recyclable and sustainable materials.

USE PHASE
We focus on improving energy and water efficiency in our products, and promoting smart technologies that reduce environmental impact and enhance user comfort.

PRODUCT STEWARDSHIP

Material Reduction and Alternative Materials

One of our initiatives towards a more circular model is focusing on materials. We work on reducing the mass of materials used in the products, using the materials more than one time, increasing the use of recycled materials.

MATERIAL REDUCTION

Material reduction is a key focus in our sustainability strategy, aimed at minimizing resource consumption and reducing environmental impact. By optimizing product design, we are continually working to reduce the amount of raw materials used in production without compromising on quality or performance. A total of 17,163 tonnes of material, including plastics by 15,915 tonnes, metals by 743 tonnes, chemicals by 13 tonnes, packaging materials by 466 tonnes, electronic components by 25 tonnes were reduced compared to previous model material usage in 2024. Thanks to all our efforts, we prevented 20,220 tCO_2e emissions.

RECYCLED MATERIALS IN PRODUCTS

We innovate products with increasing recycled plastics in a wide range of products. Thanks to the innovative recycled material formulations we have been developing over the years, each year we increase the recycled plastic usage and our overall usage in 2024 was 27,835 tonnes of recycled plastics.

The most prominent innovations that are applied to products are recycled waste PET bottles, waste fishnets, waste industrial thread, and recycled plastic produced by the recycling of our packaging waste. In 2024, we started to use post-consumer recycled ABS plastics in the parts of dishwashers, washing machines and tumble dryers.

Our target is to increase recycled plastic usage to 40% by 2030 and 50% by 2040 in our factories excluding refrigerator factories. Our holistic approach takes almost all the plastics in our products into consideration to maximize the plastic recycled content.

Type of Recycled Plastics	Innovation Detail	Usage Amounts in 2024	Products including the materials in 2024	Mostly used parts in 2024	Cumulated Usage Amounts by the end of 2024
Recycled waste PET bottles	We developed the "Leopet" raw material patented by the Company by using recycled waste PET bottles to show how waste material can be transformed into a valuable alternative raw material.	98.8 million recycled waste PET bottles	Washing Machines, Washer-Dryers, Tumble Dryers, Dishwashers, Air Conditioners	Washing Machine's Tub, Dishwasher's chassis cover, Tumble Dryer's upper chassis and Air Conditioner's indoor unit chassis	351.9 million recycled waste PET bottles since 2018
Recycled waste fishnets	Thanks to innovative recycled material formulations, we use high-performance recycled polyamide compounds obtained from waste nets and industrial thread.	10 tonnes	Ovens, Dishwashers, Washing Machines	Oven's parts such as transport carrier part, hand cover plastic, hinge housing etc., Washing Machine's parts such as transportation safety pipe plastic and Dishwasher's foot holder	45 tonnes since 2020
Recycled waste industrial thread		426 tonnes		Oven's parts such as card holder plastic, air defloctor plastic, display protector plastic, glass holder, door trim, fan snail, impeller part etc.	1,297 tonnes since 2018
Recycled plastic produced by the recycling of Arçelik's packaging waste	We recycle polyethylene-based packaging waste generated during the transportation of components.	80 tonnes	Dishwashers, Refrigerators	Dishwasher's salt funnel, Refrigerator's support plastic part	326 tonnes since 2021
Post-consumer recycled (PCR) ABS plastic with Paint (Dye) Elimination	For the first time, recycled ABS plastic has been used in the parts of specific built-in dishwasher models, completely eliminating the painting process for these parts. This innovation has led to: -The integration of recycled plastic while eliminating environmentally harmful paint chemicals, -Optimization of process times by removing the painting step, -Energy savings.	70 tonnes	Dishwashers	Dishwasher's built-in models display panel part	70 tonnes since the beginning of 2024
Post-consumer recycled (PCR) ABS plastic	For the first time, recycled ABS plastic has been used in the parts of specific built-in dryers.	270 tonnes	Washing Machines, Tumble Dryers	Some parts of Washing Machine and Tumble Dryers	270 tonnes since the beginning of 2024
Recycled plastics in SDAs only	We use recycled plastic instead of virgin plastic in small domestic appliances. Therefore, we give a second chance to plastics used before and reduce our product's environmental impact.	486 tonnes	Vacuum Cleaners, Consumer Electronics, Personal Care Products, Toast & Gills	Different parts of the SDAs	1,687 tonnes since 2021

PRODUCT STEWARDSHIP

BIO-COMPOSITE MATERIAL IN PRODUCTS

The biocomposite plastics usage in our factories was 42.4 tonnes in 2024.

BioFridge

BioFridge, which includes bioplastic parts and bio-based polyurethane together, was exhibited for the first time at IFA 2019, and the version containing bioplastic parts excluding polyurethane is offered for sale in the EU market in addition to the UK and Türkiye. The version with polyurethane insulation was put on sale in 2023. In the BioFridge, the egg trays are made from 20% eggshell waste and 79% bioplastics. Each fridge's two egg trays contain eggshell waste from five eggs. The fan cover is made from PLA (Poly Lactic Acid) bioplastic. PLA based materials are 97% bio-based from sustainable resources such as corn starch or sugarcane. The door seal is 25% made of soybean oil-based material. At IFA 2023 and Eurocucina 2024, an upgraded version of Bio-Fridge was showcased. Bio-inner liner, Bio-Door Rack and Bio-Crispers were added to the concept, the inner body of the refrigerator is made of 85% bio-based Bio-HIPS, and the door racks and vegetable drawer cover are made of 95% bio-based Bio-GPPS. With these developments, 9 kg of petroleum-based thermoplastics are replaced by bio-based materials and 50% of bio-content by weight just for thermoplastics is achieved.

Bio-based Materials in Small Domestic Appliances (SDAs)

We develop bioplastic material formulations from organic wastes to reduce plastic raw materials produced from petroleum resources. In this regard, the 2 in 1 hot air fryer has launched with an outer plastic body which includes Bio PP made from vegetable oil residue by 38%, with an innovative biomass balance approach method. We also use bioplastics in certain parts of a limited number of tea machines and Turkish coffee machines, considering tea ground waste and coffee ground waste, respectively.

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PRODUCT STEWARDSHIP

Recyclability of Products

We design recyclable products to reduce environmental impact. We also continue to focus on improving the recyclability and disassembly of our products.

Recyclability Rates of Raw Materials and Other Materials Used in Our Products

Material	Recyclability Status (%)
Metal	100%
Plastic	100%
Glass	100%
Chemicals	Non-recyclable*
Rubber	100%
Other	81%
Components	80%

*Chemicals do not include oil. A total of 78% of oil can be recycled.

Our Products' Recyclability Rates

Product	Recyclability Status (%)
Washing Machine	99%
Condenser Tumble Dryers	98%
Refrigerators	99%
Dishwashers	84%
Electronic Devices	88-92%
Ovens	91%
Components	80%

Energy and Water Efficient Products

Our products consume electrical power during their use phase, leading to greenhouse gas (GHG) emissions. Given that nearly 80% of our Scope 3 GHG emissions come from the use phase of our products, our primary focus is on minimizing energy and water consumption through continuous innovation and efficiency improvements. Recognizing this impact, we are committed to reducing our Scope 3 emissions from the use of sold products 42% by 2030 from a 2022 base year aligned with the 1.5°C climate scenario set by the Science Based Targets Initiative (SBTi).

	2022	2023	2024
Percentage of revenue from energy-efficient product*	49.4	50.2	61.9
Percentage of energy efficient product (by unit count)**	71.7	74.4	76.3

Our key actions include investing in R&D to develop high-efficiency components, integrating artificial intelligence and IoT for optimized energy use. We also work to exceed international energy efficiency standards, increasing the sales of eco-efficient products, we not only reduce environmental impact but also support our stakeholders in the climate transition. In 2024, 61.9% of our revenue is derived from the sales of energy-efficient products, reinforcing our commitment to a low-carbon future.

↘ Please refer to the Climate Action section of this report for more information regarding Scope 3 use of sold emissions.

↘ Please refer to Annex 13. EU Taxonomy Reporting of this report for further information regarding EU Taxonomy Regulation.

↘ Please refer to Annex 7. Product Indicators of this report for further information regarding other calculations related to energy-efficient products and SASB industry- specific metrics.

LOW CARBON PRODUCTS

Low carbon products have been defined as products that use less raw materials, recycled raw materials and consume less energy and water than the lowest allowable energy and water efficiency classes. There are other aspects of reducing environmental impact of products that are incorporated into our product design requirements but are not addressed directly by the low carbon product calculation methodology metric. In 2024, 71.5% of our revenue was obtained from our low carbon products and avoided emissions were 649,316 tCO_2e emissions.

↘ For further information, please refer to Annex 7. Product Indicators.

Some products from our energy and water efficient product portfolio are given on the next pages.

* 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 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.

PRODUCT STEWARDSHIP

Refrigerators

COOL ADAPT

The system optimizes energy usage by managing fan speed, defrost cycles, and the cooling algorithm based on customer usage habits.

AEROFLOW

Our innovative AeroFlow cooling system minimizes temperature fluctuations inside the fridge and reduces temperature differentiations between shelves with surrounding gentle air distribution for lasting freshness. Since longer freshness of nutrients is a key element of healthy living, AeroFlow technology takes care of food inside the fridge in a gentler way. It surrounds food with evenly distributed cold air to keep it fresh for longer. AeroFlow technology keeps the temperature fluctuation at a minimum level in the entire refrigerator, keeping the food fresh for 30% longer* thus minimizing food waste.

*For more information, please visit grundig.com/aerofresh-disclaimer.

EVERFRESH+

The EverFresh+ technology allows food to stay fresh for up to three times longer* in a special crisper compartment. The compartment's humidity is precisely controlled, and condensation is reduced via air channels and temperature variations are minimized, which allows food to stay fresh for longer.

*Tested by third party accredited laboratory (compared to standard crisper for broccoli and lettuce).

HARVESTFRESH

HarvestFresh simulates the natural 24h sun cycle to preserve vitamins for longer*. The innovative HarvestFresh technology allows vitamins to be preserved for longer*. Its crisper technology developed for fridges uses not one, but three efficient colors, that mimic the 24-hour sun cycle and natural sunlight.

*Tested by third party accredited laboratory based on Vitamin C and Vitamin A measurements in tomatoes, green peppers, carrots, spinach, celery, parsley, coriander, red peppers and kale directly exposed to the light technology compared with Day 0 conditions over a five-day period.

SOLAR FRIDGES

We produce solar fridges which feature solar panels which provide energy savings and are available in our local markets. For example, our 145x50 cm freezer top fridge freezer provides 69 kWh energy saving per year. Further, our CF300 chest freezer saves 115 kWh per year and CF210 chest freezer saves 115 kWh per year.

Washing Machines

ACHIEVE HIGH CLEANING PERFORMANCE WITH 15°C

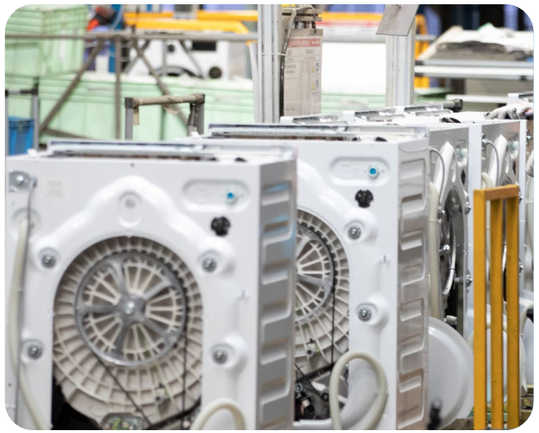
Introducing ColdWash, our advanced technology that transforms laundry by delivering powerful cleaning at lower temperatures. Utilizing specialized drum movements, it dissolves detergent more effectively, achieving the same cleaning performance at just 15 degrees. This eliminates the need for high-temperature water heating, leading to significant energy savings. The ColdWash program* offers 82% energy savings, 55% water savings, and 31%time savings, ensuring optimal performance with fewer resources.

* The ColdWash program, with 15°C, ensures 82% energy savings, 55% water savings, and 31%-time savings compared to the Beko 7131820800 - CM 9102 B washing machine's Cotton40 program.

WATERMODE: REDUCES WATER USAGE BY UP TO 10% WITHOUT COMPROMISING WASHING PERFORMANCE*

Every decision we make, no matter how small, impacts the future of our planet. With this in mind, we developed WaterMode–an innovative feature that saves up to 10% of water per wash cycle without compromising performance. By optimizing water consumption, WaterMode enables a more controlled laundry experience, allowing customers to adjust water levels as needed. Embrace WaterMode to achieve the same flawless cleanliness while using significantly less water.

* Compared to Beko washing machine models that do not have the WaterMode feature.



PRODUCT STEWARDSHIP

ENERGYSPIN

EnergySpin Technology will reduce energy consumption across the most frequently used programs* on Beko's washing machine models, promoting a more sustainable, efficient, and cost-effective way to live within our home. EnergySpin Technology is a solution in the market that provides energy saving not only for Eco programs but also for other daily programs. With this new washing technology, Beko washing machines will save energy up to 35%** for daily programs without compromising the washing performance than traditional machines. EnergySpin Technology releases detergent early and uses a redesigned drum movement at lower temperatures to help dissolve detergent and remove dirt efficiently – reducing energy consumption without compromising performance.

*According to internal HomeWhiz data, daily programs such as Mini, Cotton, Synthetics, and Delicate are the most frequently used, accounting for 71% of total usage. The data was collected from 24 countries between 25.12.2022 and 31.12.2024, covering 59 SKUs and 7,102 machines, with a total of 473,000 recorded cycles.

**The energy consumption of Beko EnergySpin programs are up to 35% less compared to the Beko WTB1041R4A washing machine, without compromising washing performance.

A-50% ENERGY EFFICIENT WASHING MACHINE

According to the new energy label legislation in Europe and Türkiye, washing machines that consume 30% less energy than the limit of the A energy class with a capacity of 9 kg and 1400 rpm, thanks to AquaTech technology, is replaced with models that consume 50% less energy than the A energy class limit*. As the energy consumption of the products have been reduced, a significant step has been taken towards sustainability.

* 50% more energy efficient (EEI of 26) than A energy class (EEI Limit of 52) as defined by EU regulation 2019/2014.

SAVEWATER TUMBLE DRYER & WASHING MACHINE COUPLE

SaveWater technology directs the water collected in the tumble dryer to the washing machine to be used in the washing cycle. The saved water is used in the next wash for the first fill of the washing cycle, providing significant savings in water consumption. In the tumble dryer, up to 5.2 liters* water is saved in one cycle which means we are giving the water of one of every 12 washes back to you.

*The Tumble Dryer saves up to 5.2 liters of water per cycle for the full load 10kg declaration program. Thanks to SaveWater Technology, the water collected in its tank can be directly used to feed the washing machine.

In 2024, the Company entered into a strategic collaboration with Coolblue, one of the leading e-commerce companies based in the Netherlands. As part of this partnership, a connected washing machine model that is capable of communicating with smart grids and responding to electricity market demand signals was launched exclusively for customers purchasing through Coolblue. Customers who purchase the product and sign a dynamic energy contract with Coolblue Energy can wash their laundry free of energy costs during midday hours (12:00–15:00), when renewable energy supply is high. This offering is supported by an innovative recurring revenue business model.

AUTODOSE

The AutoDose Technology automatically adjusts the detergent amount based on the load size and dirt level, ensuring dosing that aligns with personal preferences. Optimum detergent consumption minimizes the side effects of chemical usage on the environment. By adjusting the water amount accurately, water and energy savings are possible.

PRODUCT STEWARDSHIP

AI-SENSE

The AI-Sense smart washing machine by Grundig is set to transform the washing experience by combining design with sustainability for an unmatched user experience. It uses AI to provide smarter washing options, with smart features and programs like “Delicate”, “Express”, “Eco”, and “Intense” tailored to common washing needs. The machine automatically detects fabric type, load size, soil level, and rinse level with integrated sensors.

24% of the washing machine’s weight is made from recycled materials. Thanks to the AutoDose feature, it not only ensures optimal detergent dosing but also reduces the carbon footprint by 32% over the product’s lifecycle*. Key features include automatic detection of washing parameters, optimized dosing of detergent, water, and energy, automatic program selection for different washing needs, and 10% more energy efficiency than the A energy class limit.

AUTOPROGRAM

The AutoProgram enables automatic detection of the fabric type and the amount of clothes, which results in an optimized washing program and prevents unnecessary water consumption.

FIBERCATCHER TECHNOLOGY

FiberCatcher Technology includes a built-in microfiber filtration system that can filter up to 90% microplastics. We developed Microfiber filtration technology to prevent microplastics from entering the seas and oceans from wastewater pipes while washing petroleum-based synthetic textile products in washing machines. To help protect marine life, we designed a washing machine with an integrated synthetic microfiber filtering system FiberCatcher, which catches up to 90% of synthetic fibers released during synthetic wash cycles. The filter is made using 98% recycled plastic and contains up to 60 recycled PET bottles in its tubs. In line with our open innovation and multi-stakeholder approach, we strive to work with different industries, NGOs, universities, and other stakeholders in and outside the sector to develop this technology further.

Tumble Dryers

TUMBLE DRYERS WITH ECOGENTLE HEAT PUMP TECHNOLOGY

Our heat pump technology enables lower air temperatures inside the dryer, which helps reduce energy consumption. The tumble dryer consumes up to 72% less energy* than B energy class standard condenser dryers with an energy efficient heat exchange system.

*Compared with condenser tumble dryers which are B energy class.

TUMBLE DRYERS WITH IRONFINISH TECHNOLOGY

IronFinish Dryers work in the same as a regular iron, infusing water and steam into your clothing for the ideal time at the ideal temperature, so fabrics come out smooth and ready to wear. 9 kg A+++ -10% Tumble Dryer Dryers that are 10% more efficient than A+++ energy efficiency developed for the Jordanian market were put into operation in 2023. The introduction of the 9 kg capacity in addition to the existing 8 kg capacity, will be supported by increasing the share of highly energy efficient products in the range.

Dishwashers

ENERGY EFFICIENT DISHWASHERS WITH HEAT PUMP TECHNOLOGY

Our energy-efficient technology provides a solution for those looking to minimize their carbon footprint with no performance compromise. Our heat pump dishwashers allow users to achieve perfect cleaning results in an energy efficient way. For example, through using innovative heat pump technology, our dishwashers use up to 20%* less energy than A energy class limit. The dishes are washed with optimum heat efficiency by reusing heat in a closed loop and using natural air flow when the automatic door opens at the cycle’s completion. Thanks to its heat pump technology, the system achieves energy savings not only in the “Eco” declaration program but across all programs, up to 28%**.

*20% more energy efficient (energy efficiency index of 25.5) compared to the A energy class threshold (EEI limit of 31.9) as defined by Regulation (EU) 2019/2017. Comparison is based on the energy consumption of the Eco program in Beko dishwashers with and without heat pump technology.

**Beko dishwashers with Heat Pump Technology consume up to 28% less energy in heat pump-enabled programs other than Eco, compared to similar Beko dishwashers without Heat Pump Technology.

* Carbon emissions vary depending on the consumer’s usage phase. The main factor in reducing carbon emissions from the machine is the use of liquid detergent. The stated values are calculated based on the Arçelik 10140 PM washing machine as a reference.

PRODUCT STEWARDSHIP

DISHWASHERS WITH TARGETDRY TECHNOLOGY

EcoFocus Technology promotes optimum performance and higher energy efficiency in all programs. EcoFocus, saves up to 25% more energy in all programs*. Instead of heating the entire interior of the dishwasher, EcoFocus heats water and sprays it directly on the dishes, ensuring that only the surface of the dish is heated.

*Compared to D energy class Dishwashers with same capacity without EcoFocus Technology. EcoFocus changes D energy level into C energy level by lowering energy consumption of all programs including Eco.

SELFDRY FUNCTION

SelfDry dishwasher function enables higher drying performance and greater energy efficiency. SelfDry lets air in by opening its door automatically after the program is finished to circulate air around the dishwasher, which cleans dishes without any water stains in an energy efficient manner.

MAXIDRY

MaxiDry technology maximizes drying performance while speeding up the drying process. Hot air circulates throughout, removing water from cutlery and glassware without using chemical additives such as rinse aid.

AUTODOSE

AutoDose allows the right amount of detergent for efficient cleaning, by removing the guesswork over how much detergent dishwasher load's going to need. Users just need to fill the detergent tank for up to 1 month, and the AutoDose sensors dispense the right amount of detergent. This technology results in up to 28% less detergent usage for wash cycles of lightly soiled dishes and gel detergent usage. If you've got a smart dishwasher with HomeWhiz technology, you can use the HomeWhiz app to automatically order detergent and rinse aid when your cleaning materials are running low.

INTERACT

InterAct uses advanced technology that enables users to select the most suitable & preferred programs and functions, providing users with unique water and energy savings solutions by optimizing program selection. This technology offers a more practical dishwasher experience and eliminates unnecessary consumption caused by choosing the wrong program

SAVEWATER

SaveWater technology is designed to reduce water consumption of dishwashers. SaveWater dishwashers use 27% less water while still cleaning perfectly by collecting rinse water and hygienically storing it in a tank ready to be re-used in the next cycle. The SaveWater dishwasher uses 6.9 liters of water instead of 9.5 liters, saving 2.6 liters of water per cycle*. This allows users to reduce water consumption and save money every time they wash, without losing any of the washing performance.

*The Dishwasher saves 2.6L of water per cycle on Eco program compared to similar Beko Dishwasher without the SaveWater Technology.

Cooking Appliances Ovens

AEROPERFECT TECHNOLOGY

AeroPerfect technology uses a constant stream of even airflow all around the oven, while minimizing temperature fluctuation, to ensure food is cooked to perfection every single time. This technology aims to avoid food waste by not burning corners or leaving uncooked centers. AeroPerfect™ ensures perfect hot air distribution throughout the oven with the help of the new fan system and redesigned oven interior to provide even cooking results, every single time.

SPLIT & COOK

Split & Cook saves up to 18%* energy in A+ energy class by using the oven's cooking area more efficiently. The oven features two separate cooking spaces with independent settings which allows the user to prepare two different meals with cooking temperature differences of up to 80 degrees at the same time without mixing their aromas.

*Cooking using only upper or lower compartments in Eco Fan Heating compared to A+ Energy Class full cavity cooking in Eco Fan Heating

PRODUCT STEWARDSHIP

Hobs

TEMPASSIST HOB

TempAssist provides constant temperature throughout cooking. After selecting the desired temperature, Tempassist dynamically modifies power delivery to the pot, ensuring the temperature remains consistent and stable. TempAssist enables reducing food waste by preventing satisfying cooking results.

READYTOCOOK SENSOR

60 cm 4-zone induction hob with ReadyToCook sensor on the left front zone, thanks to the NTC sensor, allows for cooking at a constant temperature range by regularly measuring the pot temperature. It offers three different automatic cooking options: Min, Med, and Max. By enabling cooking at a constant temperature range, it prevents the problems users experience due to temperature fluctuations, allowing for positive results with every cooking.

DISHWASHER SAFE CAST IRON PAN SUPPORTS

In high-end gas hobs, square cast iron grates are offered with dishwasher-safe features, aiming to eliminate the demanding process of hand washing. It is known that washing in a dishwasher consumes less energy and water compared to hand washing. Along with dishwasher-safe grates, the goal is to offer consumers energy and water savings, while also contributing to the environment by reducing water and energy consumption. The product offered in the global market is seen as competitive in the upper segment. Along with the positive impact it will create on brand perception, an increase in sales of high-end gas stoves and customer satisfaction is expected. In the coming years, it is aimed to expand this feature across the gas stove range.

HOB EXTRACTOR

Our hob extractor has a slim and modern design and combines cooking and ventilation in one single product. With its easily accessible, dishwasher safe filters and intuitive slider display, it is a very user-friendly product. The hob extractor has an A energy efficiency index, A fluid dynamics efficiency.

Hoods

HOB TO HOOD CONNECTIVITY

In Hob to Hood Technology, the hood communicates with induction hob to automatically adjust its ventilation level according to cooking needs. The hob and hood both are equipped with Bluetooth modules for communication. The hob evaluates the operation on zones and calculates an optimum operation speed for the hood. After calculation, it sends this optimum speed to hood via Bluetooth connection. Also, both hood & hob have additional Wi-Fi modules for connecting to HomeWhiz app so that you can control your appliances from your mobile as well. Through the hob's Bluetooth technology, you can be in constant communication with the hood fan and through this innovation that households can use optimum energy at optimum speed.

A++ ENERGY CLASS INCLINED HOOD

With the increasing importance of energy consumption day by day, the Company has included flat hoods with A++ energy class in its product range. Sales of these products have started in Türkiye and Europe.

INSULATED HIGH-END HOOD

To increase customer satisfaction and user comfort, insulation has been applied to the bPro700 T-Shape & Inclined hoods. As a result, a quieter usage opportunity has been provided with a 3 dBA improvement in the maximum sound level declared on the energy label. The target market for these products has been identified as Europe.

PRODUCT STEWARDSHIP

Televisions

TVS REMOTE CONTROLLERS WITH ECO MODE

With the Eco Button of OLED TV's remote controller customers can choose eco settings easily. Eco Mode provides consuming less energy (up to ~20%) compared to Home Mode. Remote Controller is made by 100% recycled plastics and used in OLED products.

TVS WITH AMBIENT LIGHT SENSOR

Ambient Light Sensor adjusts the TV brightness to the appropriate level according to the ambient brightness settings. It adjusts the television brightness to the optimum level according to the ambient brightness and optimizes the power consumption. It reduces power consumption up to 10% in a low brightness environment compared to inactive mode based on internal testing.

Sustainable Smart Solutions via Homewhiz

FOOD SAFETY NOTIFICATIONS FOR REFRIGERATOR

HomeWhiz notifies users in case of power outages, doors being left open and high temperatures to ensure food safety with connected refrigerators and freezers. This technology enables users to take precautions before food is wasted.

Electricity power cut warning: Users may get notification if a power cut occurs.

Door is Open Notification: Connected refrigerators notify users if the door remains open to prevent food waste and food damage.

High Temperature Warning: If the temperature inside the cabinet rises due to a problem with a refrigerator HomeWhiz keeps users informed.

ENERGY & WATER CONSUMPTION INDICATOR

Energy & Water consumption indicator feature provides an environmentally friendly solution. It gives the opportunity to compare selected programs in terms of consumption. In order to protect natural resources, the user can make more environmentally conscious choices by taking into account consumption values.

SERVICE BUTTON

HomeWhiz, allows our consumers to connect their devices to Wi-Fi networks and give them easy access to the Call Center in selected regions by pressing a single button on the product. Service Button also offers consumers guidance in identifying and resolving problems. The Support Service feature collects the essential product data and shares it with the technical service team, enabling them to diagnose and resolve the issue in a single on-site visit or remotely. This approach eliminates the requirement for a technician to physically travel to the customer's location, thereby allowing us to minimize our carbon emissions generated by transportation.

ENERGY AND WATER MANAGEMENT

Energy and Water Management Systems aim to minimize energy costs, increase environmental sustainability, and create social awareness about energy consumption. The project helps devices such as Dishwashers, Refrigerators, Washing Machines, Ovens, and Dryers to reduce their consumption at their discretion by monitoring their energy and water consumption via HomeWhiz. This technology keeps providing personalized recommendations by monitoring user behavior and encouraging users to save more.

SMARTFIX

SmartFix enables to project possible problems in the refrigerator that can be detected before they are noticed by the user. Possible error information is automatically sent to customer services simultaneously with spare parts suggestions and the problem is solved at once. Detailed data analysis has been completed for 83cm combi-type refrigerators with Wi-Fi. In this analysis, the model was validated with real product data obtained from customers. When the error records opened by SmartFix were examined, real errors were detected in more than 90% of the customers who requested service visits.

PRODUCT STEWARDSHIP

A-WASH (ADAPTIVE TECHNOLOGIES)

Aims to personalize white goods with the newly developed adaptive feature, so that they can better meet consumer needs. Users' feedback is received through the HomeWhiz smart home application for different programs. Thus, consumer-specific programs are created for washing machines. Users can evaluate the program on five different criteria: cleaning performance, program duration, crease level, detergent residue and dryness level. After the program is completed, this feedback received in the form of a survey is processed with artificial intelligence algorithms and the program parameters are updated to better fit the expectations of the consumers. Tailored washing experience is delivered for your individual needs.

OVER-THE-AIR (OTA) UPDATE

OTA infrastructure allows modification of programs or algorithms in operation via Wi-Fi. Over-the-air updates allow them to be distributed at larger scales easily, reducing the cost of distributing updates and aiming to extend the lifecycle of products with updates. With these updates, users can use more up-to-date solutions on issues such as energy levels and extra modes.

DOWNLOAD PROGRAMS

HomeWhiz allows to download extra programs to suit users' needs from the app and put them right into the program slot. So, users can choose the program that best suits their laundry.

Durability, Repairability and Refurbishment

We extend product life through our initiatives to increase the durability, repairability, and reusability of our products.

DURABILITY

Designing long-lasting products extends their lifespan, which helps to reduce the environmental impact of manufacturing new products. We apply reliability tests based on both product usage conditions and critical components to maintain its functionality. New test equipment and test benches are being set up to support and to further evaluate testing methods on how we can measure the durability of our products more precisely.

An in-house Endurance Platform, aligned with the EN 45552 endurance standard, allows us to evaluate business results company-wide through periodic reviews with the executive management team. Within this scope, we actively take part in the product specific standardization studies, which focus primarily on washing machines, via The European Committee for Electrotechnical Standardization (CEN-CENELEC).

In addition to standardization, we continue our work for regulatory requirements. We follow the durability index regulation that has been published in 2024 for washing machines and televisions in France, which is the first country to implement the durability index. The durability index evaluates the wear resistance, maintenance and guarantee related aspects in addition to the documentation, disassembly, availability and price of spare parts, and product-specific aspects of repairability index. Similar to repairability index, score out of 10 is presented with a pictogram for durability index. Belgium is also expected to implement durability index regulations for washing machines and televisions, in line with those established in France.

REPAIRABILITY

We design our products with clear instructions, and accessible spare parts to make repairs easy and extend product lifecycles. By partnering with repair services and encouraging self-repair, the Company promotes reducing waste and supports its circular economy goals.

With the provisions following the Circular Economy Action plan, the assessment and representation of the repairability of products will be mandatory in the EU. We contributed to the work on the tumble dryers, which will be one of the first products to be implemented a repairability score in Europe.

Right to Repair Directive establishes regulatory requirements for manufacturers to ensure the accessibility of spare parts, provide repair information, and design products to be easily repairable, with the aim of promoting sustainability.

France has been the pioneer country in Circular Economy efforts since 2020 by publication of France Anti-Waste and Circular Economy Law also known as AGEC Law. In January 2021, as a provision of AGEC Law, France became the first country to provide a repairability index for five categories of electronic devices (smartphones, laptops, washing machines, TVs, and lawnmowers). The index aims to provide consumers with transparent and reliable information about product content and encourages consumers to make more informed and sustainable choices while guiding manufacturers to offer more circular products. In 2025, the repairability index will be replaced by the durability index for washing machines and TVs. Belgium has published repairability index regulations for dishwashers and vacuum cleaners, similar to those in France.

PRODUCT STEWARDSHIP

We take the necessary improvement actions to reach higher durability and repairability scores. Our products are constantly evaluated by the quality and structural design teams. Relevant durability and repairability improvement projects are initiated based on the data received from authorized services or authorized repairers.

Modular Design

A modular design allows customers to create new designs simply and agile by replacing components without having to replace the entire product, thereby reducing unnecessary resource waste. In that regard, we have come a long way to a cross-functional modularity project involving a variety of product groups, from washing machines to TVs. In our new product designs, we are increasing part commonality across different product categories by adopting the modular design approach. For instance, in our latest washing machine design, we have achieved a commonality rate between the products of over 50%, which is a unique level, compared with the industry. This not only ensures faster innovation cycles but also facilitates easier updates during the product lifecycle, providing agility and flexibility in meeting customer demands. We are configuring the products faster and more easily. Thus, it also decreases inventory levels and increases the serviceability of the spare parts.

REFURBISHMENT

Refurbishment centers have been operational at our manufacturing plants in Türkiye since 1997, and as of 2024, we have one facility in the UK, one facility in Italy and a pilot facility in Romania. Refurbished products refer to the products that have been used for a certain period by the customer and products with cosmetic defects displayed in dealer stores or products that have been damaged in logistic process. Such products are reprocessed and resold to the consumer at a reasonable price. With part replacements and comprehensive performance tests, product quality and performance features are brought to the same level as the new product. In addition to 84,820 units of refurbished products in our facilities in Türkiye, in 2024 a total of 29,648 products were refurbished in our new refurbishment facilities in the UK and Italy. Hence, a total of 114,468 products were refurbished in our facilities globally. Refurbishment operations in our new Romania refurbishment facility have been planned to start in June 2025.

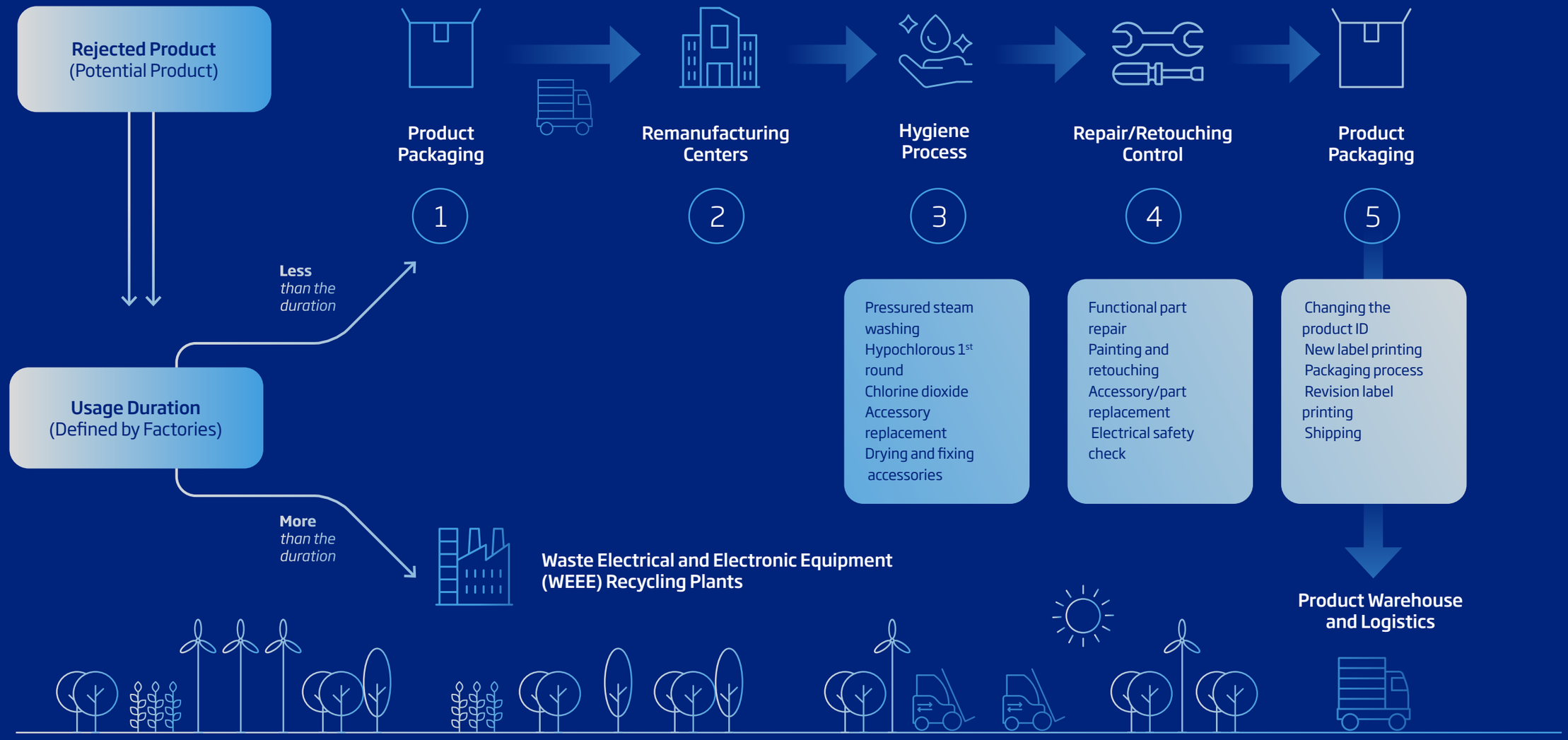
	2021	2022	2023	2024
Refurbished products*	53,000	54,629	66,370	114,468

*Includes consumer electronics, televisions, major and small domestic appliances

Our new refurbishment center in Romania is a key part of our strategy to promote circularity. The facility's installation began in the last quarter of 2024 and is expected to be completed in June 2025. It follows best practices by ensuring high-quality standards and reduced environmental impact. With its operation starting in 2025, it is aimed to avoid the generation of 81.7 tonnes of waste.

PRODUCT STEWARDSHIP

INTRODUCTION
STRATEGIC APPROACH TO SUSTAINABILITY
IN TOUCH WITH OUR PLANET
IN TOUCH WITH HUMAN NEEDS
IN TOUCH WITH BUSINESS
ANNEX



PRODUCT STEWARDSHIP

Product Packaging

We focus on three main areas in our sustainable packaging efforts:

OTHER PACKAGING STUDIES

We used approximately:

- 223 tonnes of recycled plastic strip in packaging of the products.
- 245 tonnes of recycled plastic in accessory and product bags.
- 436 tonnes recycled plastic in shrink packaging of the products.

Sustainable Packaging Project has been initiated with the scope of replacing packaging materials with sustainable materials to provide significant environmental benefits since 2020. Projects carried out within this scope as follow:

EXPANDED POLYSTYRENE (EPS)

We are working towards replacing Expanded Polystyrene (EPS) with sustainable materials in all categories of major and small domestic appliances. Thanks to all the huge efforts of the R&D Packaging Team, Grundig brand of major domestic appliances line-up with EPS-free packaging serial production have been initiated in 2024. This line-up includes dryer, dishwasher, refrigerator, hob, oven, and washing machine products.

In 2024, we used approximately 849 tonnes of recycled and recyclable cardboard and 485 tonnes of molded pulp instead of EPS in the ovens, hobs, hoods, dishwashers, refrigerators, compressors, small domestic appliances categories.

RECYCLED CARDBOARD

We continue to work toward paper-based packaging consumption while prioritizing the procurement of sustainable sources certified or recycled paper. In 2024, we saved approximately 512,813 trees from being cut down by using 30,165 tonnes of recycled cardboard for products packaging globally. Additionally, 81% of the cardboard used for packaging is sustainable sources certified.

Products	Area Of Usage	Material	Sustainable Material Alternative
Major and Small Domestic Appliances, TV and Consumer Electronics	Outer Box	Craft paper	Recycled paper
Oven, Hob, Hood, Dishwasher, Refrigerator, Compressor, Small Domestic Appliances Categories	Styrofoam	Expanded Polystyrene (EPS)	Recycled paper
Major Domestic Appliances, TV and Consumer Electronics	Accessory and Product Bag	Different Plastic Types	Recycled Plastic or Paper (for accessory bag)
Major Domestic Appliances, TV and Consumer Electronics	Strip, Shrink Film	Different Plastic Types	Recycled Plastic

PRODUCT STEWARDSHIP

End of Life Responsibility

We have two Waste Electrical and Electronic Equipment (WEEE) Recycling Plants in Türkiye. As part of the Extended Producer Responsibility (EPR), we established our take-back program in Türkiye for proper management of the products' end-of-life stage. In the scope of this program, we collect the old products from the market regardless of brand and replace them with new appliances through our extensive network of authorized dealers and services. The collected refrigerators are recycled at the plant in Eskişehir, while other white goods and SDAs are recycled at the plant in Bolu. Our plant in Eskişehir is the first e-waste recycling plant in Türkiye where chlorofluorocarbon (CFC) gases and ozone-depleting compounds used in old refrigerators are collected in a closed system. Materials such as plastic, iron, copper and aluminum obtained from recycled WEEE are sent to licensed WEEE Recycling Plants to be gained back into the economy in accordance with the resource efficiency policy. Thanks to our take-back program, while contributing to the circular economy, we also contribute to increasing awareness among consumers about recycling e-waste.

From 2014 to the end of 2024, we have recycled 1.86 million WEEE units in our WEEE recycling plants. In this way, we replaced the old, high energy and water-consuming products with energy and water efficient products.

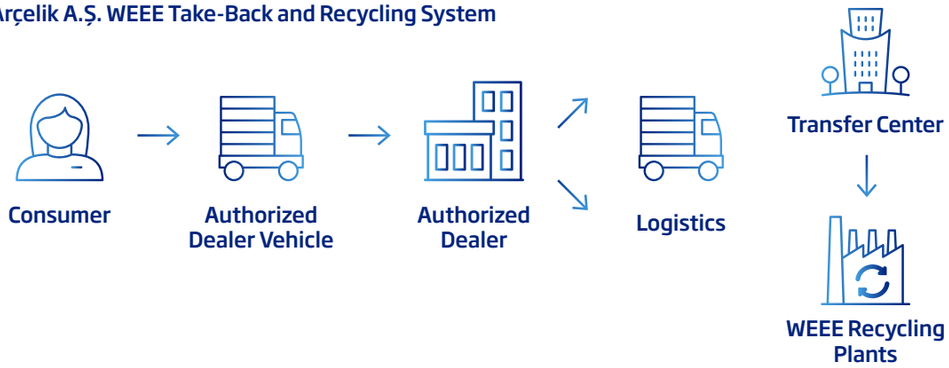
- With the replacement of energy efficient products, we saved 543 GWh of energy which is equivalent to 267,600 tCO_2e emissions which is equivalent to the daily electricity consumption of about 67.8 million Turkish households, or the annual energy production of 87 wind turbines with a capacity of 2.5 MW each.
- In terms of replacement of water efficient products, we saved approximately 8.9 million tonnes of water, which is equivalent to 11 million Turkish households' daily water consumption.

In other countries, we meet their producer responsibilities under WEEE management through compliance schemes to which we are subjected.

We comply with Basel Convention and perform responsible management of WEEE in each country. In countries outside Türkiye where WEEE is managed by regulation, we work with producer responsibility organizations (PROs) or compliance schemes to comply with local WEEE regulations.

↘ Please refer to Annex 7. Product Indicators of this report for further information about SASB industry- specific metrics.

Arçelik A.Ş. WEEE Take-Back and Recycling System



PRODUCT STEWARDSHIP

Environmental Impacts of Products During Their Life Cycle

In line with our sustainability approach and commitment to protect the environment, we work to minimize the environmental impacts of our products throughout their lifecycle through new-generation practices, and to reduce our environmental footprint by effectively managing all stages of our value chain. In line with this principle, we began conducting full life cycle assessment (LCA) studies for our products and have so far completed studies for our washing machines, refrigerators, dishwashers, ovens, televisions, and tumble dryers.

We analyzed the impact of our products by using CML-IA baseline, EF 3.0, IMPACT 2002+ and ReCiPe 2016 methods and evaluating them through environmental impact categories* during their lifetime. The LCA studies cover 17% of selling number of different product types which were manufactured at those relevant production sites in 2024. All environmental impacts through the life cycle of a product are taken into consideration and we develop a lot of projects in all life cycle stages of our products to minimize our environmental footprint. According to the LCA results, the use phase has the largest impact in almost all environmental impact categories during our products' life cycles. The contribution of life cycle stages to global warming potentials of different product categories is shown in the table.

↘ Please refer to Annex 7. Product Indicators of this report for further information about SASB industry- specific metrics.

*Global warming potential, ozone depletion potential (ODP), abiotic depletion (fossil fuels, minerals), human toxicity, ecotoxicity, photochemical ozone formation, species richness, ionizing radiation, dust & particulate matter, acidification, eutrophication, water depletion and land use.

Product	Raw Material Extraction and Transportation	Manufacturing	Product Transportation	Use Phase	End of Life
Washing Machine	12%	0.21%	0.17%	87%	0.9%
Refrigerator	19%	0.07%	0.18%	80%	0.9%
Dishwasher	7%	0.07%	0.13%	92%	0.7%
Oven	21%	0.44%	0.25%	77%	1.3%
Tumble Dryer	13%	0.1%	0.08%	86%	0.7%

3.0

IN TOUCH WITH HUMAN NEEDS

Corporate Citizenship 108

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

Related Capitals

Natural

Intellectual

Human

CORPORATE CITIZENSHIP

We are aware of the societal impacts of our operations, programs, and products on local communities, aligning our efforts with Our Global Corporate Citizenship Policy and Civil Society Co-operation Policy to create a better future while focusing on respecting society. We implement a range of initiatives and processes aimed at creating meaningful and lasting positive impacts for affected communities. These include corporate social responsibility (CSR) projects focusing on education, gender equality, social inclusion, food waste, and healthy lifestyles across our operational geography and beyond.

Our actions within our corporate citizenship vision include community investment programs, corporate volunteering, partnerships, and charitable donations. We evaluate our impact through field research, analyses, and reporting, encompassing cash contributions, in-kind giving, management costs, and employee volunteering, with a total expenditure of TRY 303,418,606 on these activities.

↘ For further information on corporate citizenship spending, please refer to Annex 8. Corporate Citizenship Indicators of the Report.

Supporting Society with Equal Opportunities and Inclusion

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

Action Coalition

As a signatory of the Women's Empowerment Principles (WEPs) since 2017, we have been actively promoting gender equality among key stakeholders, raising awareness, increasing women's employment opportunities, and supporting their professional development. Led by Koç Holding under the UN Women's Generation Equality Forum's Action Coalition, we submitted our commitments to achieve concrete change in the technology and innovation field for women in the technology and innovation field by 2026. We promote gender equality in both our value chain operations and community engagements.

↗ For further information regarding our Action Coalition (AC) targets, please refer to our website.

CORPORATE CITIZENSHIP

GENDER EQUALITY

WE-inTech

As part of our Action Coalition commitments, the WE-inTech program aims to increase the presence of women in R&D and innovation fields by empowering 3rd or 4th grade women university students (between 17-23 years of age) in Türkiye, Romania, Pakistan, and South Africa. In 2024, the WE-inTech program was conducted with a total of 40 women engineering students from Türkiye, reaching a total of 307 women students from Pakistan, South Africa, Romania, and Türkiye with 4 global and local programs since the program was launched in 2019.

500 Women Technicians

As part of our Action Coalition commitments, the 500 Women Technicians program aims to increase the proportion of women technicians working at our Authorized Services to enable women gain new professional technical competencies, empowering them to upskill and advance their careers within the technician network, thus fostering equality through talent transformation. In 2024, a total of 70 new women technicians were integrated into the system through 8 training sessions. Since the initiation of the project, the number of women technicians has reached 734, and by the end of 2024, the proportion of active women technicians has become 7,4%, with a total of 447 employees.

QUALITY EDUCATION

Digital Wings Project

As part of our Action Coalition commitments, the Digital Wings project aims to provide technology-design and IT and software training to 100,000 girls (aged 10-14) in 81 provinces in Türkiye until 2026 to contribute to gender equality in business life by equipping young girls with technology and the 21st century's competencies. In 2024, the project reached 71,337 students including 34,819 girls, reaching 144,108 students and 70,191 girls in total since the launch of the project across 81 provinces of Türkiye.

PREP

The PREP program aims to enhance university students' competencies, prepare them for the future, and introduce them to digital transformation through technical and soft skills training, including language development. In 2024, the program reached 78 students in Türkiye, reaching 291 students in total since its initiation.

First Step Development Program

The First Step Development program aims to motivate dealer stores and after-sales services employees' children in their 2nd or 3rd year of university to continue their family businesses (being dealers and after sales services) by providing insights into technology, business dynamics, and our operations through a comprehensive one-month program. In 2024, 55 students participated in the program, reaching a total of 181 students since its initiation in 2020.

AC Action Coalition

CORPORATE CITIZENSHIP

QUALITY EDUCATION

Leadership at Work, Equality in Internship Project

The Leadership at Work, Equality in Internship project aims to enhance women's representation in economic and social life by offering women university students and recent graduates internship opportunities at Arçelik & Beko authorized dealers and services, inspiring interest in dealership roles and empowering them through a professional network in Türkiye. In 2024, 43 women candidates participated in and completed the program, reaching a total of 175 women participants and 25 women employees working in dealers and services since its initiation in 2022.

A Grade for the Future Project

The A Grade for the Future project aims to support 5th, 6th, and 7th grade middle school students of hourly-paid employees, dealers, and service employees in mathematics and English, strengthen their academic skills, foster ties with our company, and promote social responsibility. In 2024, 9 volunteers have taken part as trainers in this project and 544 students of which 65% were women joined the online classes in Türkiye. This project has grown and expanded to the Koç Group in 2024.

Erasmus+ VET Learner and Staff Mobility Accreditation and Vocational Training Mobility Project

The Erasmus+ VET Learner and Staff Mobility Accreditation aims to enhance vocational and technical education through cross-border exchange, work-based learning, and professional development opportunities for technicians, sales representatives, and vocational school participants. In 2024, 12 professional training activities were organized, and 68 students were provided internship opportunities, reaching a total of 35 training and providing internship to 269 students since the project's initiation in 2021.

EMPOWERING ENTREPRENEURSHIP ECOSYSTEM

Her Business, Her Power

As part of our Action Coalition commitments, the Her Business, Her Power project aims to empower women entrepreneurs in the male-dominated dealership ecosystem by providing training, discounts, and support, enabling sustainable and profitable business opportunities while advancing gender equality in business and society. In 2024, the number of women dealers increased from 86 to 125 (base year 2021) with 125 dealers and 151 stores, reaching a 51% ratio of women employment in dealers and stores.

AC Action Coalition

CORPORATE CITIZENSHIP

SUSTAINABLE LIVING AND ENVIRONMENT

DOMINO: The Little One

The DOMINO: The Little One game aims to combat the climate crisis by raising awareness, increasing sensitivity, and inspiring individual actions through an engaging, sustainability-focused interactive gaming platform that addresses key environmental issues such as plastic pollution, carbon emissions, air and water pollution, ecological imbalance, genetically modified foods, and forest fires. In 2024, the game reached more than 500 million people, with over 180,000 users adding the game to their libraries. DOMINO: The DOMINO: The Little One has been featured as a case study on Games for Change Festival 2024.

DOMINO: The Little One is available for free download on Steam (Windows), App Store (iOS), and Google Play (Android).

Grundig Sustainability Vision; Respect Food and Respect Planet

Grundig's "It Starts at Home" tagline emphasizes creating a better future through sustainability, quality, and aesthetics, starting with our homes.

With its "Respect Planet" vision, the brand promotes sustainable consumption through campaigns by aiming consumers to shift their consumption habits into responsible ones through the introduction of environmentally friendly products and technologies that prioritize the effective use of resources such as water, material, and energy. These include energy-efficient appliances, washing machines utilizing recycled PET bottles, microfiber technology to preserve water sources, and 100% recyclable packaging, reducing environmental impact and supporting the circular economy.

With its "Respect Food" approach, in collaboration with organizations such as Food for Soul, Grundig combats food waste while providing meals to underserved communities. Grundig develops food-respecting technologies, such as refrigerators that preserve freshness, and cooking innovations that optimize storage and cooking to reduce waste.

For further information regarding the Respect Food approach, please refer to the Grundig partnerships around food; Food For Soul and Massimo Bottura section of the Report.

Beko Global, Healthy Living and Sustainability Communications

In its 60-year history, Beko has developed innovative products benefiting consumers and the planet. Committed to empowering future generations, Beko offers technologies that preserve food's nutrition, promote healthy cooking, and protect nature. It focuses on reducing carbon footprint and conserving resources through products including recycled and natural materials, and energy and water efficient technologies. Beko also conducts campaigns to promote healthier living, raise environmental awareness, and inspire consumer action.

CORPORATE CITIZENSHIP

Corporate Volunteerism

Corporate Volunteerism is a fundamental part of corporate citizenship for us. We encourage our employees to become active and responsible global citizens striving to be a part of the solution. Guided by our Corporate Volunteerism Policy, priority areas of action include:

- Raising awareness on environmental sustainability, particularly on plastics and the climate crisis
- Providing digital skills and competencies
- Providing technical skills through education and training
- Promoting gender equality

Beko Volunteers design innovative projects that will effectively serve both the environment and society, emphasizing the principle of "Respect for the Environment and Society". These projects not only benefit our planet but also reaffirm the profound significance of our social responsibilities. Beko Volunteers, acting as a strategic global team, motivate all company employees to engage in action through the projects they carry out in the designated priority areas. These projects aim to provide social benefits while fostering collaboration and strengthening corporate solidarity.

OUR VOLUNTEERS

- Work to develop technologies and solutions serving local needs and priorities of people living in the countries we operate
- Motivate and inspire people around them
- Promote volunteerism in society and across the company
- Focus on sustainable life through events and projects
- Respect the environment and lead environmental sustainability efforts
- Believe in gender equality and equal representation
- Stay continuously informed about digital and technological developments
- Address social problems and act to solve these problems
- Fight all types of exclusion and discrimination; embrace diversity and inclusion

CORPORATE CITIZENSHIP

ACTIONS TAKEN WITH REGARDS TO THE MAJOR EARTHQUAKE IN TÜRKİYE

In response to the devastating earthquake that occurred in Kahramanmaraş, Türkiye in February 2023, Beko Volunteers continued their earthquake relief efforts throughout 2024. From the very first moments of the earthquake centered in Kahramanmaraş, which affected 11 provinces in Türkiye, we supported the earthquake victims under the coordination of Koç Group's Crisis Management Centre, alongside Türkiye's Ministries and AFAD (Türkiye's Disaster and Emergency Management Presidency).

Among Türkiye employees, 717 volunteers expressed interest in participating, with 78 actively contributing to the field. Koç Holding established 5,500 containers in Hatay (Antakya and İskenderun), Kahramanmaraş, Adıyaman, and Malatya, known as Umut Kentler (Hope Towns), which are housing approximately 20,000 people.

Support in these Hope Towns spanned various initiatives, including the Kitchen Workshop, Digital Wings Workshop, Arçelik-Beko Cafés, and Arçelik Football School. Additionally, employment opportunities were extended through two newly opened customer communication centers in Hatay and Malatya, further supporting the region's recovery.

↗ For further information regarding the projects and actions being taken for the earthquake relief, please refer to our 2024 Annual Report.

CORPORATE CITIZENSHIP

Corporate Social Responsibility of Our Subsidiaries

Our subsidiaries worldwide are committed to creating meaningful and lasting contributions to empower local communities, prioritizing sustainable development, and aiming to create positive social impact. In line with our commitment to Environmental, Social, and Governance (ESG) principles, we integrate responsible business practices into every aspect of our operations.

ACTIONS TAKEN WITH REGARDS TO OUR SUBSIDIARIES' CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

For over 150 years, Barnardo's has supported vulnerable families and children in the UK, fostering safe and loving home environments. As a proud charity partner, Beko PLC shares this ambition by donating appliances, raising funds, and raising awareness for disadvantaged families and children.

In this 11-year partnership milestone, Beko PLC collaborated with Barnardo's on the Gap Homes Scheme in 2024, supplying appliances to support young adults transitioning out of care and preparing for independent living. These appliances not only enable these young people to navigate life independently but also boost their confidence by easing their transition to self-sufficiency after leaving social care. Beko PLC continues its commitment to donating home appliances to the most disadvantaged families and children in the UK in 2024, having donated more than 1,000 appliances since the partnership began in 2013.

Pakistan: Dawlance Partnerships

Dawlance, through effective partnerships, continued to fulfill its strong commitments in the field of corporate social responsibility in 2024, driving positive social impact and empowering local communities. Guided by its vision, "Progress Today, Preserve Tomorrow", Dawlance implemented key initiatives to promote sustainable living, including reforestation, recycling, responsible consumption, and youth development.

Dawlance facilitated the construction of two water purification plants in Nawabshah under the "Boond e Shams Oasis Box" program, providing clean water access to 10,000 people. Food collected at refrigerator donation points in markets was transformed into 17,000 meals by the Robin Hood Army and distributed to underserved communities.

In collaboration with Pink Ribbon, Dawlance raised awareness about breast cancer, organized training sessions for 500 women employees, and donated a portion of October sales revenue to provide free medical consultation services.

Additionally, under the SOS Rahnuma Program in partnership with SOS Children's Village, Dawlance offered mentorship to young individuals, fostering a supportive environment for their development. Mentorship focused on guiding young individuals aged 10-15 in career awareness, skill-building, and personal growth. Dawlance employee mentors provided educational support, confidence-building sessions, and future career guidance, fostering a nurturing environment for their development.

South Africa: Defy & Taking Care of Business Partnership

Defy collaborated with the South African NGO Taking Care of Business (TCB) on the Solar Community Project in 2024, aiming to address energy access challenges and ensure underserved communities have access to energy-efficient technology advancements in Umlazi Township.

Through its Solar Off-Grid range of solar-powered refrigerators and freezers, Defy provides reliable cooling solutions for households, small businesses, and schools in under-resourced communities affected by frequent power outages. By supporting small and medium-sized enterprises (SMEs) in the area, the initiative helps sustain their operations, reduce food waste, and contribute to local economic stability and growth. Defy's investment in its Solar Off-Grid series aligns with its broader environmental goals, reducing reliance on traditional energy sources, lowering energy costs for users, and minimizing environmental impact.

Austria: Elektrabregenz & Pro Juventute Partnership

As part of its comprehensive corporate social responsibility approach, Elektrabregenz has been supporting Pro Juventute's socio-therapeutic housing complexes for nearly 14 years, providing approximately 70 household appliances free of charge annually to assist disadvantaged children and youth in Austria.

In 2024, the second Pro Juventute socio-therapeutic housing complex was opened in Vienna on Emilie-Flöge-Weg, offering accommodation for six children and youth unable to live in standard housing due to complex challenges. Elektrabregenz not only donated all the required household appliances for this project but also contributed to Pro Juventute's charity auction gala to raise additional funds.

CORPORATE CITIZENSHIP

Bangladesh: Singer

Singer Bangladesh believes in going beyond mere celebration to create a tangible impact. In 2024, on Independence Day, the company partnered with SOS Children's Villages Bangladesh to support 106 children, provided the children with a one-month supply of essential food supplies. This initiative reflects Singer's dedication to fostering community development and nurturing the next generation, aligning with its broader mission of driving positive social impact. Apart from SOS Children village, Singer Bangladesh has also collaborated with AIM Initiative Foundation where the company provided school bags and stationaries to 20 underprivileged children to support their education.

Additionally, in late August 2024, severe floods devastated the eastern and southeastern regions of Bangladesh, directly impacting many of Singer Bangladesh's branch managers, store employees, staff, and business partners. In response, Singer Bangladesh employees exhibited remarkable solidarity by donating one day's salary to support their colleagues and their families affected by the disaster. The funds raised were used to provide direct financial assistance to the affected employees and partners, a gesture that was deeply appreciated. A portion of the contributions was donated to a national relief fund, extending the scope of the aid.

India: VoltasBeko

VoltasBeko aims to increase the percentage of women employees across all areas to achieve economic gender equality and eliminate gender-based inequalities, especially in manufacturing sectors such as resource making, metal shaping, and assembly, where male employees are predominantly found. In 2024, 60% of the operators in VoltasBeko's washing machine production are women, and the percentage of hourly paid women workers has reached 52%. Additionally, the percentage of women employees in the company's workforce rose from 2% in 2023 to 15% in 2024.

Each year, VoltasBeko organizes the "Joy of Giving" festival with employee contributions, providing children's clothing, toys, school supplies, food, and hygiene products to local NGOs for distribution in Sanand and Ahmedabad.

In line with its commitment to sustainable living, over 600 saplings were planted on the Sanand factory campus as part of its environmental awareness efforts in 2024.

Moreover, under the Indian Government's National Apprenticeship Promotion Scheme (NAPS), aimed at enhancing youth employability, more than 45 students received training. As part of this initiative, the government covers scholarships and other related expenses for these students.

CORPORATE CITIZENSHIP

Community Development and Partnerships

We hardly work to find solutions to meet the needs of local communities through partnerships and sponsorships. Our efforts focus on identifying impactful solutions that align with community expectations and contribute to sustainable development. We determine the selection criteria of the institutions with which we partner and support civil society activities in line with our Civil Society Cooperation Policy.

OUR PARTNERSHIPS

Beko x Water.org Collaboration

Water is one of the main sources of life for a healthy planet and for all who inhabit it. That's why Beko collaborated with the US-based non-profit organization Water.org to undertake a project to help empower 10,000 Kenyans in need with the water or sanitation solutions they need to survive and thrive.

Kenya is facing significant challenges emerging from rising water demand and water scarcity. The aggravation of the water crisis is affected by climate change, water pollution, population growth, inadequate water resource management, and urbanization. These challenges are particularly pronounced in rural regions and low-income urban neighborhoods, where individuals frequently lack access to piped water infrastructure.

Through the project that started in the last quarter of 2022, we implemented a social responsibility program with our global brand Beko, to change the lives of Kenyans with lasting access to safe water or sanitation solutions. As part of the collaboration lasting until September 2024, Beko supported Water.org to partner locally with the Association of Microfinance Institutions of Kenya (AMFI Kenya). Water.org provided technical assistance to enable AMFI Kenya to disseminate small loans for safe water and sanitation solutions in communities lacking reliable access.

Thanks to Beko's support, as of the end of 2024, Water.org has successfully delivered safe water or sanitation solutions to 10,236 people in the region.

IMPACT STORY

MEET PATRICIA

Patricia runs her small farm, cares for her family, and serves as secretary for her local self-help group. Members of the group pool their resources in a savings account to use as collateral, so they can support the financial goals of community members. Their group identified access to water as a big problem among their households. The time spent collecting water takes away from other daily activities, and it is a burden when the dry seasons come. Patricia personally spent a few hours each day walking to and from a water source to provide water for her family.

With support from the group, Patricia applied and was approved for a loan through a Water.org financial institution partner to purchase three water tanks for her property. Now she has a place to store water to sustain her through the dry season – enough water to feed her livestock, water her vegetable garden, and to cover her household needs, and she no longer needs to walk long distances carrying heavy water vessels. She is proud that she can give her family a healthy, vibrant life.

CORPORATE CITIZENSHIP

Grundig partnerships around food; Food For Soul and Massimo Bottura

Grundig has built strong partnerships with Massimo Bottura and Food for Soul to fight food waste and support disadvantaged groups. Since 2018, Chef Massimo Bottura, a Time Magazine "100 Most Influential People" honoree and UN Environment Program Goodwill Ambassador, has represented Grundig's values of quality, aesthetics, and sustainability as the brand ambassador, continuing in this role in 2024. Since 2016, Grundig's collaboration with Food for Soul and its Refettorios* has advanced global efforts to reduce food waste and provide food to people in need.

Through this partnership, Grundig helped to save 2,471 tonnes of food from being wasted and served 3.97 million meals**. Annually, Grundig highlights World Food Day with campaigns such as "Food Saved Me", sharing stories from Refettorios supported by Food for Soul to highlight food's transformative power and the importance of waste reduction. Through these efforts, Grundig raised awareness about food waste and its causes,

*Refettorios are community hubs that serve nutritious meals made from surplus ingredients to people in situations of social and economic vulnerability. These spaces foster community resilience, economic opportunities, and a fairer, healthier food system for everyone.

**The data provided refers to the activities that Food for Soul is able to implement thanks to the support of all partners, including Grundig and other supporters, across different regions.

OUR SPONSORSHIP AND DONATION ACTIVITIES

We implement our sponsorships and donations within the scope of the Global Donation and Sponsorship Policy.

Arçelik and Beko

Arçelik and Beko are actively involved in various sponsorship and sustainability initiatives. To promote sustainability, Arçelik has expanded its longstanding sponsorship of the National Football Teams by becoming their Sustainability Partner. The National Teams hold a unique value in reaching broad audiences across age, income, and gender, uniting society around a common purpose.

Additionally in 2024, Beko once again became the jersey sponsor of Beşiktaş Gymnastics Club, one of Türkiye's largest and most established sports clubs, as part of a new sponsorship agreement signed that year. Supporting sports in all areas with the mission of contributing to the development of healthy generations, Beko continues its sponsorship and collaboration with Beşiktaş Gymnastics Club for 30 years. Beko also involved in the women's football team with the back shirt sponsorship.

As Beko, we adopt supporting sports and athletes as a mission. For this reason, we have been cooperating with Fenerbahçe Basketball, one of Türkiye's most well-established and successful sports clubs, as a title sponsor since 2018. This sponsorship is not just a financial cooperation; it is a strong step towards bringing our values and vision together with sports. Together, we will continue to create success stories on and off the field. Because we believe that it is very valuable to create a sports-oriented perspective for the young generation as Beko.

CORPORATE CITIZENSHIP

Products that Create Social and Environmental Value

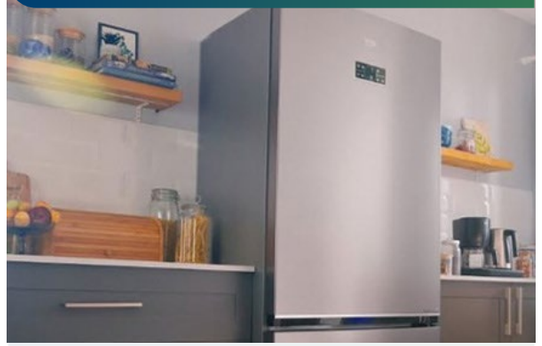
Solar Hybrid Fridge

Designed for users without access to uninterrupted provision of electricity, the sustainable and safe solar hybrid panel refrigerator provides a cooling system solution that utilizes electricity from the grid and solar energy alternately. With increased insulation and renewable energy sources, the refrigerator addresses an existing need while introducing a new approach to environmentally friendly cooling systems.

Simple Base Drawer Feature

Introduced in response to recurring flooding issues in Bangladesh, where consumers often placed their products above the ground for protection. To offer a creative solution, we developed a base drawer compartment in refrigerators. This compartment, being a unique solution in the market, serves as a non-cooling zone to provide storage for items such as onions and potatoes.

Inverter Compressor



Introduced to address the demand for energy-saving technologies in emerging markets, where energy-efficient features are often less accessible. The inverter compressor feature, widely available in developed markets, enhances energy efficiency and offers significant value to consumers in regions where such innovations are not easily available.

Static Everfresh and Hybrid Cooling

Designed to address the frequent power cuts in Pakistan and Voltage Fluctuation in Bangladesh, where both planned and unplanned outages pose challenges for keeping food fresh for extended periods. While static refrigerators are less popular in developed markets, these advanced technologies are highly favored in regions facing power challenges. They ensure extended freshness during outages and are also available in European markets, offering a versatile and efficient cooling option.

↘ For further information regarding the products that create environmental value, please refer to the Product Stewardship section of the Report.

3.0

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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

SUSTAINABLE FINANCING

We prioritize the integration of economic, social, and environmental aspects of sustainability into our governance framework, ensuring account-ability to all stakeholders.

Our customer-centric approach enables us to expand our sales reach, thereby bolstering revenues. Through strategic investments and growth-oriented initiatives, we deliver economic advantages to our business partners and in-vestors, concurrently fostering the creation of sustainable value from these economic gains.

Environmental Investments and Expenditures

The total expenses stated in the table refer to the sum of capital investment and operating expenses related to environmental investments, and our total expenses for the reporting year are TRY 6,073 million.

All Environmental Related Investments and Expenditures (TRY million)		2021*	2022*	2023**	2024**
Investments and expenditures for environmental resource efficiency in production and product[1]	Capital Investments	32.03	556.43	3,812.45***	1,322.43
	Operating Expenses	69.83	114.83	154.13	395.38
	Total Expenses	101.86	671.26	3,966.58***	1,717.81
Investments and expenditures for environmental resource efficiency in Research and Development (R&D)[2]	Capital Investments	23.66	129.77	86.54	1,645.11
	Operating Expenses	210.73	486.85	1,679.23	2,710.26
	Total Expenses	234.39	626.62	1,765.77	4,355.37
	Grand Total Expenses	**336.25**	**1,297.88**	**5,732.35**	**6,073.17**

The data represents the cash flow figures for all years.

*This data is expressed in nominal values without the application of IAS 29 Financial Reporting in Hyperinflationary Economies.

**Inflation accounting has been applied to this data according to IAS 29 Financial Reporting in Hyperinflationary Economies for 2023 and 2024 financial years. The financial data for the year 2023 has been evaluated based on the inflation rates applicable to the 2023 fiscal year. The 2024 financial data has been assessed using the inflation rates relevant to the 2024 fiscal year. When comparing figures across years, it should be noted that inflation impacts have been considered based on each year's respective period.

***The data has increased significantly compared to 2022. The main reason for this is that there are green building investments in 2023.

[1] Investment and expenditures for environmental resource efficiency in production and product mainly includes environmental measurement and analysis cost, waste disposal and transportation cost, wastewater treatment plant expenses, the cost of employees working for the environment and energy, certification and authorization cost, consulting and training cost, maintenance and repair costs, renewable energy, energy efficiency (incl. production lines), green buildings and product related environmental resource efficiency in production. Data coverage is global.

[2] Research and Development investments and expenditures for environmental resource efficiency in product includes decreased energy consumption, decreased water consumption, decreased waste generation, GHG emissions' reduction, pollution reduction, decreased raw material consumption, increase usage of recycled materials or increased product durability/longevity in product. Data coverage is global.

SUSTAINABLE FINANCING

The EU Taxonomy Reporting

The EU Taxonomy regulation and the delegated acts are a classification system for organizations to identify which of their economic activities, or the economic activities they invest in, can be deemed "environmentally sustainable". It is legally in force within the European Union as part of the non-financial statement.

The EU Taxonomy requires companies to disclose how and to what extent their activities are associated with taxonomy- aligned economic activities in relation to their turnover, capital expenditure (CapEx), and operating expenses (OpEx). A Taxonomy-eligible economic activity is an assessment of whether an economic activity has complied with the corresponding criteria description according to the EU Taxonomy.

A Taxonomy-aligned economic activity describes an eligible activity that meets the Taxonomy requirements to substantially contribute to at least one of the Taxonomy's six environmental objectives which is climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems; does no significant harm (DNSH) to any other objectives; and meets the minimum safeguards.

According to reporting obligations and timeline, we are currently not within the scope of the Taxonomy regulation. However, Arçelik has voluntarily reported the taxonomy and mapped its eligibility and alignment to the EU Taxonomy as of 2022.

The summary for the 2024 fiscal year is provided in the table below, while the section included in Annex 13: EU Taxonomy of this Report contains explanations regarding the calculation principles, assumptions, tables for each KPI, and detailed results.

Substantial contribution criteria	Proportion of Turnover			Proportion of CapEx			Proportion of OpEx*		
	Eligible		Non Eligible	Eligible		Non Eligible	Eligible		Non Eligible
	Aligned	Not Aligned		Aligned	Not Aligned		Aligned	Not Aligned	
Climate Change Mitigation	**22%** TRY 95,680 million	**36%** TRY 153,917 million	**42%** TRY 178,574 million	**18%** TRY 4,257 million	**37%** TRY 8,875 million	**45%** TRY 10,759 million	**16%** TRY 800 million	**22%** TRY 1,061 million	**62%** TRY 2,988 million
Climate Change Adaptation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pollution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Circular Economy	**0%** TRY 0 million	**58%** TRY 249,597 million	**42%** TRY 178,574 million	**0%** TRY 0 million	**55%** TRY 13,132 million	**45%** TRY 10,759 million	**0%** TRY 0 million	**38%** TRY 1,861 million	**62%** TRY 2,988 million
Biodiversity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	**100% TRY 428,548 million**			**100 % TRY 23,891 million**			**100% TRY 4,849 million**		

*Total OpEx mentioned in the summary table represent only R&D expenditures, the consolidated OpEx value of Arçelik is TRY 112,355 million. N/A: Not Applicable

SUSTAINABLE FINANCING

Sustainable Financial Instruments

We are dedicated to utilizing sustainable financial instruments to generate positive environmental and social outcomes. By embedding sustainability into our financing strategies, we aim to foster investments that align with our long-term vision.

GREEN BOND

We issued green bonds with a nominal value of EUR 350 million and a five-year maturity in 2021. The bond attracted a high level of demand from investors – being almost five times oversubscribed. More than 145 investors have invested in the bond, the coupon rate of which was determined as 3.00%. As of December 31, 2023, Arçelik had allocated all EUR 350 million of its Green Bond net proceeds to Eligible Green Projects including energy-efficient, eco-efficient, and circular economy-adapted products and the promotion of energy efficiency in production. Thus, the proceeds have supported the Company's investments in energy and water efficient products, energy efficiency in production, sustainable water and wastewater management, pollution control and prevention, renewable energy, and green building initiatives.

↗ For further information, please refer to our Green Financing Framework.

↗ For further information, please refer to our Green Bond Allocation and Impact Reports.

GREEN LOAN

We have signed an eight-year loan agreement for EUR 150 million with the European Bank of Reconstruction and Development (EBRD), one of the most important green finance providers in 2021. The first EUR 83 million loan is structured according to the Green Loan Principles of the Loan Market Association (LMA). We plan to implement projects to achieve net-zero emissions in the value chain by 2050 through financing environmental Sustainability and R&D projects within the framework of the green loan.

SUSTAINABLE AND GREEN DEPOSITS

We have entered into a sustainable deposit transaction worth TRY 30 million with a maturity of 9 months in 2024. With this financial transaction, we supported projects that have a positive environmental and social impact, from renewable energy, clean transportation, circular economy, empowerment of women-owned/managed SMEs, SMEs' access to finance, to earthquake zone financing.

Additionally, our joint venture, Arçelik Hitachi, has collaborated with leading banks across the APAC region to open Green Deposit accounts. The funds generated from this transaction are allocated to support small-scale green businesses and projects, contributing to lasting changes for a more sustainable society.

SUSTAINABILITY-LINKED FINANCING FRAMEWORK

The Company's 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.

It has been also developed in line with the Sustainability-Linked Bond Principles (SLBP) issued by the International Capital Market Association (ICMA) in June 2023 and the Sustainability-Linked Loan Principles (SLLP) issued by the Loan Market Association (LMA) in February 2023.

↗ For further information, please refer to our Sustainability-Linked Financing Framework.

↗ For further information, please refer to our Second Party Opinion Report.

BUSINESS ETHICS AND TRANSPARENCY

Business ethics is one of the core values of Arçelik. In this regard, the Company is committed to creating a fair, ethical, and inclusive environment that upholds the rights and interests of all stakeholders involved. This includes fostering a respectful workplace for employees, addressing the needs of consumers, protecting shareholders' interests, and maintaining strong, ethical relationships with suppliers, distributors, dealers, service providers, and other third parties such as subcontractors and consultants, ensuring all parties adhere to the Company's commitment to human rights and legal compliance.

Arçelik's Global Code of Conduct and Related Policies (among which exists policies like Global Code of Conduct, Global Code of Conduct Operations Policy, Global Whistleblowing Policy, Global Antibribery and Corruption Policy, Global Gift and Hospitality Policy, Global Donation and Sponsorship Policy, Global Anti Money Laundering Policy, Global Sanctions and Export Controls Policy, Global Anti-Discrimination and Anti-Harassment Policy that are available on company website) which guide our daily business interactions with our stakeholders, have been approved by the Board of Directors. The Global Ethics Committee, led by the CEO, manages the fulfillment of these policies. A Board member has been appointed to oversee their implementation and ongoing activities, providing regular updates to the Board. The Board member regularly informs the Board about the Ethics Committee's activities and the company's compliance. Additionally, our General Counsel Legal & Compliance provides quarterly reports to this Board Member. Senior management of all categories, functions and operating companies must fully support such efforts, therefore, are responsible for the implementation of the Global Code of Conduct and Related Policies in daily business practices.

Allegations are managed in line with the Global Code of Conduct Operations policy which sets the general guidelines. Once an allegation is made, it is immediately reviewed by the relevant General Counsel Legal & Compliance, who conducts an initial analysis of the allegations. Where appropriate, General Counsel Legal & Compliance consults the Head of Global Compliance to determine whether an investigation is required. All investigations related to suspected Code of Conduct breaches are led by General Counsel Legal & Compliance and may involve the Internal Audit Department or external forensic services, if necessary.

If the individuals involved are in different locations, General Counsel Legal & Compliance and local Ethics Committee where the alleged breach occurred lead the investigation.

For allegations involving top managers, General Counsel Legal & Compliance oversees the investigation. Local Ethics Committees do not handle cases related to their own senior managers.

Once the investigation is complete, General Counsel Legal & Compliance submits a report to the Ethics Committee, linking the allegations to specific Code of Conduct requirements, summarizing evidence, and suggesting penalties. The Committee then decides on the penalties, considering the evidence and any aggravating or mitigating factors. The processes are managed in good faith to ensure transparency, consistency, and fairness.

Line managers on the Committee may participate in reviewing cases involving their team but may recuse themselves if there is a conflict of interest.

The Implementation of our Code of Conduct

All our employees and business partners, including our temporary employees and interns, are obliged to comply with the Global Code of Conduct and Related Policies, and we expect them to internalize and follow these rules. The Global Code of Conduct and Related Policies is communicated in different languages, along with the global deployment of the ethics hotline.

At the beginning of their employment, our employees read and accept the Global Code of Conduct and Related Policies and obtain relevant training in their orientation program. Also face-to-face or online interactive training covering the Global Code of Conduct and Related Policies are available which is predominantly about compliance risks such as anti-bribery and corruption, sanctions and export controls, personal data protection, competition law and anti-money laundering as well as the prevention of human rights violations including but not limited to child, forced labor and human trafficking, and the prevention of discrimination and harassment, responsible purchasing, and conflicts of interest. In 2024, we continued to offer comprehensive ethics training within this scope to employees and one-to-one training for our C level executive team.

BUSINESS ETHICS AND TRANSPARENCY

The Global Code of Conduct and Related Policies, as well as its compliance management systems, were third-party audited in line with the ISO 37301 Compliance Management System standard.

As stated in the Global Code of Conduct, we did not donate or provide charitable contributions to political parties, politicians, or political candidates, and did not allow activities in support of political demonstrations and propaganda or policy influence in the workplace during the reporting period. Moreover, the company's resources and fixtures (tools, computers, e-mails, etc.) were not used for political activities and/or campaigns.

For ethics-related training-related information, please refer to Annex 9. Social Performance Indicators.

REPORTING NON-COMPLIANCE

We have a global whistleblowing mechanism where all stakeholders can report cases related to non-compliance with the Global Code of Conduct and Related Policies including but not limited to the Global Human Rights Policy, Global Whistleblowing Policy, Global Anti-Discrimination and Anti-Harassment Policy through the website-based ethics hotline (www.ethicsline.net), implemented in all countries. In addition, some countries receive notifications through the ethics hotline phone numbers as well. All the employees may also speak up through walk-in to compliance officers or their managers in person.

A whistleblower can be anyone who communicates an allegation or any other information indicating acts that are noncompliant with the Global Code of Conduct and Related Policies. Our communication channels regarding feedback and complaints are available to all our stakeholders. We ensure that everyone sharing their concerns will be protected from retaliation and all investigations will be handled with complete confidentiality. The harassment or victimization of anyone raising a concern is not tolerated and individuals making a disclosure will retain their anonymity unless they agree otherwise.

In 2024, the cases continued to be reported through ethics hotline channels that are available to all our stakeholders. We closed all the cases and have no ongoing investigations related to the cases reported in 2024. Out of 251 reported cases, a total of 44 were substantiated.

The company also reports zero fines and zero convictions related to corruption and bribery in 2024.

Type of Reported Cases	Number of Substantiated Cases
Conflict of interest	3
Internal fraud	8
Harassment	19
Unethical behavior	6
Mobbing	2
HR issue	6
Corruption	0
Money laundering	0
Insider trading	0

We impose punitive sanctions considering the mitigating and aggravating factors in maintaining the non-repetition of the breaches as stated in our Global Code of Conduct Operations Policy. Type of actions due to the substantiated cases in 2024:

- Training and mentoring to the employees,
- Verbal Warning Placed in Employees HR file,
- Written Warning placed in the employees HR file,
- Change of the employees' workspace,
- Performance grade decrease of the employees,
- Termination of the employment.

The number of terminated contracts of employees due to the substantiated cases in 2024 was 11.

BUSINESS ETHICS AND TRANSPARENCY

Human Rights

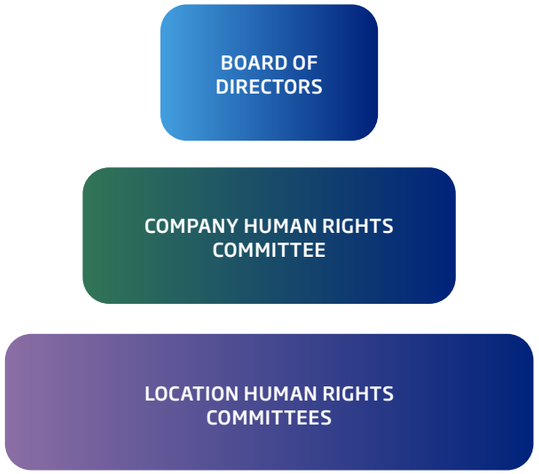
At Arçelik, we fully respect human rights and are committed to comply with the rules of the International Labour Organization, the UN Global Compact and the UN Guiding Principles on Business and Human Rights, as indicated in our Arçelik Global Human Rights Policy and Human Rights Due Diligence Process. Additionally, we also commit to abide by the Code of Conduct of the Home Appliance Europe (APPLiA) as a signatory company, as well as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our Global Responsible Purchasing Policy also dictates the rules which we abide by when doing business with our partners. Our alignment with globally acknowledged principles reflects our dedication to human rights related practices. Our company strictly prohibits trafficking in human beings, forced or compulsory labor, and child labor, as outlined in our policies. Additionally, we are committed to upholding a wide range of human rights, ensuring compliance with relevant laws and maintaining a safe, ethical working environment.

A dedicated Human Rights Department organizes regular third-party and internal human rights assessments within the global organization, prepares a risk mapping of potential and actual violations, and takes necessary mitigation and remedial actions pursuant to the Global Human Rights Due Diligence Process. The Department is also responsible for convening the Human Rights Committee (HRC) which aims to proactively ensure that the operations in the value chain do not have adverse impacts on individuals. Within this scope, the HRC meets four times a year to systematically review and revise the risk mapping of potential human rights issues within our existing business and new business relations, as well as risks in the value chain. In terms of the value chain, our priority is assessing the risks of Tier-1 suppliers.

The HRC is chaired by the Chief People Officer, and representatives from various teams attend the Committee, which are Production and Technology, Finance, Supply Chain, Purchasing, Occupational Health and Safety, Sustainability, Quality Systems, Global Compliance, Environment, Global Communications, Human Rights and Human Resources. The Koç Holding Consumer Durables President, who is board member, has been assigned by the BoD as the board member responsible for reporting on human rights issues, potential risks, and action plans. The Chief People Officer reports quarterly to the relevant Board member on actual and or potential human rights violations and the remediation and/or mitigation action plans.

We manage our human rights process for all locations in a systematic manner. Within this scope, we have Location Human Rights Committees (LHRC) at all manufacturing plants, which are responsible for reviewing our risk map and taking necessary mitigation and remediation actions related to the Global Human Rights Due Diligence Process to ensure that the related location does not have any adverse impacts on individuals. The decisions made by the LHRC, which meets quarterly, are reported to the HRC. The Management Team and the related departments heads are members of these Committees. The Human Rights Location Responsible are responsible for convening Location Human Rights Committees. Within this scope, the LHRC meets quarterly in a systematic manner. The decisions taken by the LHRC are reported to the Company Human Rights Committee by the Human Rights Department.

Our Committee Governance is shown below:



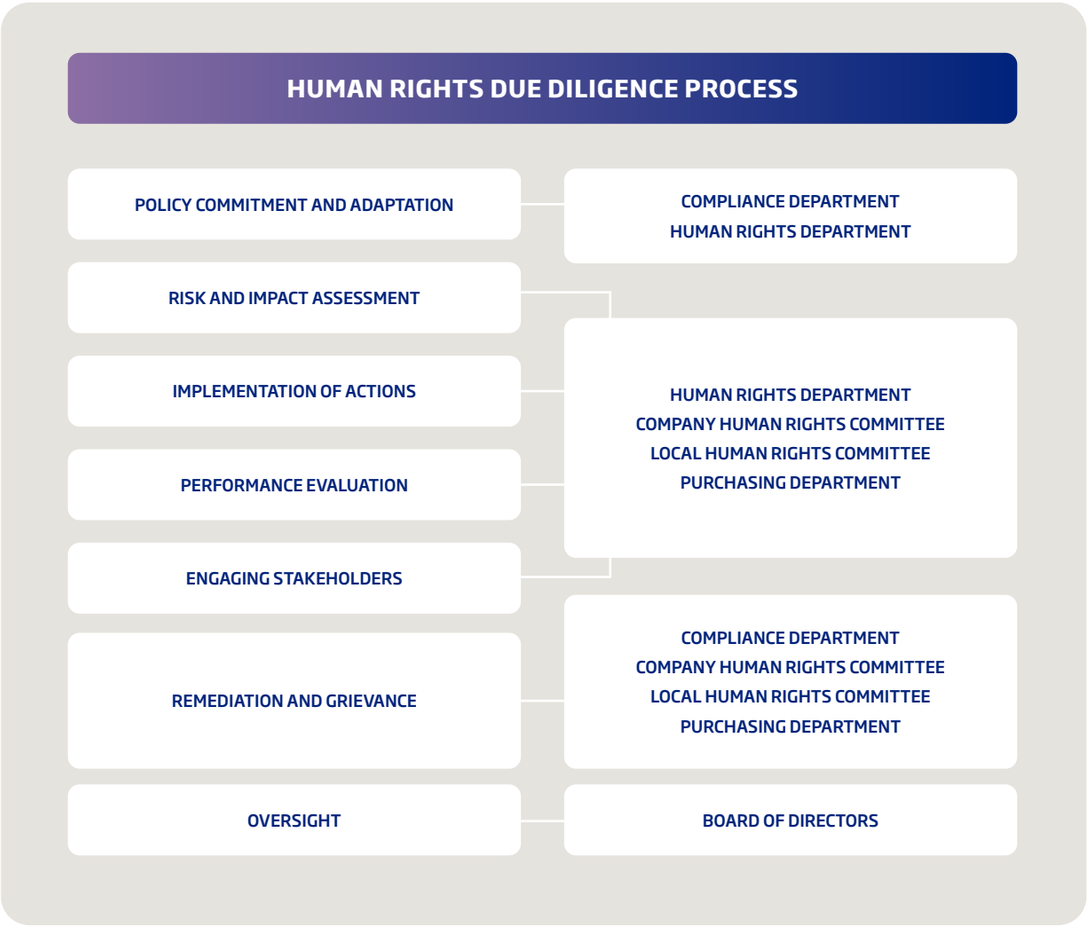
BUSINESS ETHICS AND TRANSPARENCY

HUMAN RIGHTS DUE DILIGENCE PROCESS

The Arçelik Human Rights Due Diligence Process outlines the approach adopted by Arçelik for the identification of actual and potential adverse impacts of salient human rights issues considered relevant for the operation network in the entire value chain. We are subject to regular audits due to our membership of the Business Social Compliance Initiative (BSCI) and the Suppliers Ethical Data Exchange (SEDEX). Our operations are regularly audited in topics such as social management systems, employee engagement, freedom of association and collective bargaining, prevention of discrimination, fair remuneration, decent working hours, OHS, prevention of precarious employment, prevention of forced and child labor, environmental protection, and ethical behavior. Customer-specific audits also may be performed on request.

We fulfill all requirements in each country in which we operate, in line with the local and national laws and regulations. Signed contracts comply with legislation in the countries where we operate and fully comply with local GDPR rules. We strictly follow, pay attention to, and commit to compliance. According to the results of BSCI, SEDEX and internal audits, there was no finding for incidents of child labor, forced or compulsory labor in our own operations over the past three years. In line with our zero-tolerance policy, we terminate our relationships with suppliers who may be involved in human rights violations.

Our internal audits are managed by our internal auditors. After internal audits, audit reports are shared to the relevant partners and prepare and follow mitigation and remediation plans with relevant employees responsible for Human Rights and the Human Rights Committees' Leadership.



BUSINESS ETHICS AND TRANSPARENCY

In 2024, all our factories, including joint ventures (45/45), were subject to human rights assessments internally or by third-party audits. 45 manufacturing facilities have been internally audited, and 11 have been third-party audited.

We have mitigation plans for the identified risks in all manufacturing facilities, including joint ventures. No major human rights issues were identified in our operations and joint ventures. The results of internal and external audit findings are discussed in the Human Rights Committee, and corrective action plans follow the mitigation actions.

Findings and the related mitigation actions taken within the scope of human rights assessments at our manufacturing facilities are listed below:

Internal Audit Findings	Details	Non-Conformities	Improved	In Progress	Open	Mitigation actions taken
Social Management System	Social compliance awareness Working hours of service providers	13	1	12	0	*Raise awareness in BSCI, *Continue to conduct BSCI trainings for employees * Following working hours for service providers reports periodically
Workers Involvement and Protection	Subcontractor employee topics	6	5	1	0	*Subcontractor topics are embedded in social management meetings
Decent Working Hours	Overtime working	34	10	24	0	*Follow the overtime reports periodically and discuss with HR and managers *Managing overtime reports with managers in manufacturing plants
Occupational Health and Safety	Infrastructure improvements Operational improvements Workplace conditions	54	38	16	0	*Safety and risk management initiatives are ongoing across the facility. *Infrastructure and operational improvements have been implemented or are in progress. *Projects supporting workplace conditions and compliance are actively being developed.
Ethical Business Behavior	Anti-bribery and anti-corruption risk mapping	12	12	1	0	*In line with compliance topics, the effective risk mapping process is conducted
Total		**119**	**66**	**54**	**0**	

BUSINESS ETHICS AND TRANSPARENCY

External Audit Findings	Details	Non-Conformities	Improved	In progress	Open	Mitigation actions taken
Social Management System	Service providers working hours	6	3	3	0	* Following working hours for service providers reports periodically * Implementing due diligence management model in all practices
No Discrimination	Trainings to blue collar employees in disciplinary issues	1	1	0	0	* Trainings given to employees on disciplinary procedures and disciplinary rules.
Fair Remuneration	Health check fees	4	0	4	0	* Studies on the systematics of covering health screenings
Decent Working Hours	Overtime working	6	3	3	0	*Manage overtime with HR and managers by overtime reports *Structure a process for informing managers about overtime *Follow the process in a collaboration with manufacturing departments
Occupational Health and Safety	Operational improvements Periodical control	27	12	15	0	*Infrastructure and operational improvements have been implemented or are in progress. *Regular periodical controls and maintenance reports are obtained. *The nonconformities detected in the periodic control reports have been resolved. *The process of documenting the building use permit is ongoing.
Ethical Business Behavior	Anti-bribery and anti-corruption risk mapping	2	2	0	0	* Risk analysis regarding anti-bribery and corruption has been carried out
Total		**46**	**21**	**25**	**0**	

BUSINESS ETHICS AND TRANSPARENCY

Based on the salient issues defined in our Human Rights Due Diligence Process, a human rights risk assessment process is carried out regularly to identify, prevent, and mitigate any human rights risks through the value chain due to the business operations including all our facilities, and joint ventures. All internal and external audit subjects are covered in the human rights risk assessment process.

The risk levels are identified based on two factors, which are the likelihood of impact and the level of impact. The likelihood of impact scale ranges from very unlikely to very likely regarding the probability of the situation, while the level of impact risk rating scale ranges from low to high by considering the scale, scope, and whether the situation is remediable.

The results of risk assessment based on the two criteria are divided into three groups: Low, Medium, and High-level risks. We control and mitigate potential and/or residual impacts after establishing preventative and corrective action plans regarding human rights within business operations. This enables us to ensure that our approach is proactively effective for controlling the impacts which might arise from our manufacturing facilities.

Arçelik also conducts third-party ethics audits at its suppliers. Accepting and complying with our Global Responsible Purchasing Policy is a contractual obligation, and our Tier-1 material and product suppliers are also subjected to business ethics audits.

↘ For further information, please refer to the Sustainable Supply Chain Management section of the Report.

As outlined in our Human Rights Due Diligence Process, we ensure practical remediation actions 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. Our communication channels regarding feedback and complaints are available to stakeholders. For the harassment concerning mobbing issues, we take remediation actions including but not limited to psychological rehabilitation for an adequate remedy. In cases where a violation is detected, the remedies can vary, detecting the root cause of the harassment, changing the organizational structure of the related department where the issue happened, and changing the roles of some employees' positions are also possible steps that we may take in such circumstances.

We apply punitive sanctions while considering both mitigating and aggravating factors, aiming to prevent the recurrence of breaches as outlined in our Global Code of Conduct Operations Policy and Global Responsible Purchasing Policy.

Right to Collective Bargaining and Freedom of Association

As Arçelik, we respect and ensure the protection of our employees' right to collective bargaining and freedom of association. We aim to build a trusting relationship with our employees and unions, abide by the requirements of legislation and collective bargaining agreements, and ensure a peaceful workplace. A list of authorized labor unions representing employees and a list of collective bargaining agreements in 2024 are available below:

- Türkiye: MESS - Turkish Employers' Association of Metal Industries (MESS, authorized labor union representing employers), Türk Metal Sendikası (Turkish Metal Union, authorized labor union representing employees)
- Romania: Solidaritatea Union
- South Africa: NUMSA, UASA, MEWUSA and SAWU
- China: Trade Union of Arçelik Hitachi Home Appliances (Shanghai) Co. Ltd
- Thailand: Hitachi Workers' Union of Thailand
- Pakistan: United Refrigeration Industries Workers Union, United Refrigeration Industries Labor Union, Dawlance Employees Worker Welfare Union and Dawlance Mazdoor Union
- Italy: CGIL/Chairman, UILM, FIM – CISL, FIOM, UGLM, COBAS
- Poland: ZZ Wytwórców AGD
- United Kingdom: GMB (General, Municipal, Boilermakers' Union) Unite the Union
- Slovakia: OZ KOVO (Odborový zväz KOVO)

BUSINESS ETHICS AND TRANSPARENCY

In 2024, 78% of our employees were covered by collective agreements in countries where we have manufacturing plants. In the case of collective and/or individual layoffs or changes in duties, we apply the relevant provisions stipulated in the labor legislation and collective agreements applicable in the countries of operation.

↘ For further information you can refer to Annex 9. Social Performance Indicators.

Within our operations in the household durables industry, we are fully committed to upholding the right to freedom of association and collective bargaining for all employees. The protection and implementation of these rights are fundamental principles of our company. We ensure that our employees have the necessary environment to exercise these rights freely in all of our locations. The core elements of this commitment include ensuring that employees are informed about their rights, operating effective grievance mechanisms, and providing continuous training for our management team. Through our continuous monitoring and evaluation processes, we aim to create a work environment where employees can exercise their rights freely without fear of retaliation or discrimination. We also regularly engage with workers' representatives to discuss and improve working conditions, reinforcing our commitment to open dialogue and mutual respect. To date, we have not experienced any instances of union rights violations or restrictions in these processes.

We are committed to setting and honoring a minimum consultation and notice period before any mass terminations in our own operations, and promoting this practice among our contractors and partners. The company did not conduct any significant layoffs in 2024, where "significant layoffs" are defined as those involving more than 10% of employees.

IN THAILAND

Arçelik Hitachi Home Appliances (Thailand) has been awarded the National Outstanding Labor Relations Award for 2024, recognizing its commitment to raising labor standards, improving employee satisfaction and engagement, and enhancing its corporate image. This award highlights the company's balance of business success with a focus on employee well-being and social responsibility, including efforts to reduce social inequality.

The award process involved auditing 164 items across 11 categories, with four joint meetings between management and labor unions. This led to the company receiving the "Outstanding Establishment" award as a national achievement.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Human Capital

Human capital is considered as the most precious asset for achieving long-term strategic targets at Arçelik. Within this scope, the Company is committed to nurturing and retaining a diverse pool of the best talents, as well as fostering an environment that allows individuals to thrive and contribute effectively on a global scale. Therefore, the Company's top priority in human resources management is to improve all processes continuously to create a future fit culture. The Company defines culture as a combination of leadership DNA, values, traditions, beliefs, interactions, behaviors, and attitudes. Our Culture always upholds our three main pillars which are Our Purpose, Our Values and Our Leadership DNA.

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". This purpose represents the impact we aim to create in the world together as the employees. We focus on fostering growth and making a positive impact on communities and our planet. It is achieved by democratizing access to sustainable lifestyles around the world, taking action and inspiring others as well.

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, how we work together to get things done.

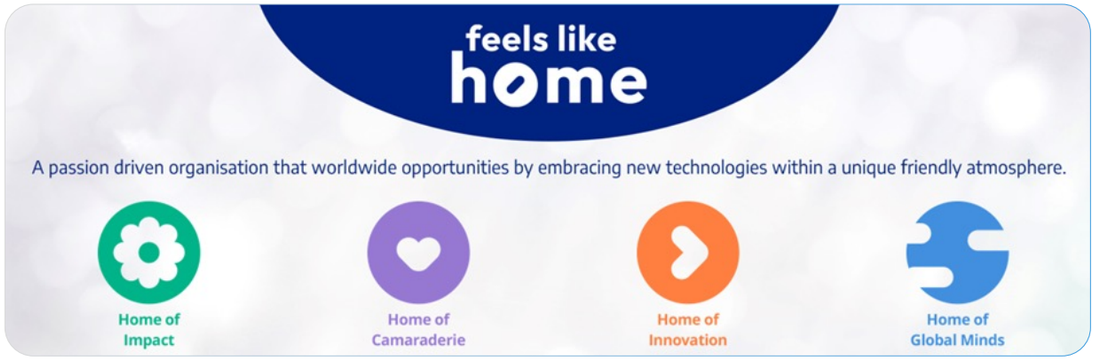
Our Leadership DNA defines the winning behaviors that are unique to us and critical to our long-term success. Our Leadership DNA shows how we behave as individuals and how we operate as a business.

Our Employee Value Proposition (EVP) is deeply rooted in our culture code and serves as the heartbeat of our organization, mirroring our values. We are committed to being an organization that attracts, nurtures, and retains a diverse pool of top talent, while fostering an environment where individuals can thrive and contribute effectively on a global scale–cherishing the feeling of being at home. Our employee value proposition (EVP) clearly reflects this commitment.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Driven by themes of courage, camaraderie, trust, a global perspective, and a supportive atmosphere our EVP motto "Feels Like Home" perfectly encapsulates our EVP, further divided into 4 key pillars that support it:

- Our impactful community support defines our organization as a **home of impact.**
- Dignity and respect shape our organization into a **home of camaraderie.**
- Joint triumphs distinguish our community as a **home of innovation.**
- Passion for growth establishes our organization as a **home of global minds.**



↘ For further details regarding data on Workforce, Talent Attraction and Retention, please refer to Annex 9. Social Performance Indicators.

AGILE TRANSFORMATION

Organizational agility refers to the ability to quickly adapt to changes while remaining customer-focused and flexible. Arçelik aims to create leaner, agile structures by empowering teams to work towards shared goals. Following the successful agile transformation in the Central R&D organization, agile organizational structures have been implemented in our Plant R&D, Plant Production Engineering, Production Technologies, and, most recently, in our Subsidiary R&D departments. The agile transformations help improve processes, collaboration, and responsiveness to customer needs. Employees across the company receive agile training through the Agile Academy, which focuses on leadership, team dynamics, and decision-making. This training supports the development of autonomous teams and inspiring leaders, while promoting a positive agile working culture.

↘ For further details regarding Agile Academy, please refer to Future Fit Development.

In order to support the transformation across the company, an Agile Transformation governance structure has been established. The transformation is monitored in the following four areas:

1. **Organizational Structure:** Designing of the roadmap and implementing agile organizational structures
2. **Employee Experience and Communication:** Tools are designed for employees to communicate their own needs and expectations, their experiences are evaluated, and information flow is ensured during the transformation 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 processes.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

DIVERSITY 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.

↗ For further information, please refer to The Global Anti-Discrimination and Anti-Harassment Policy, Global Human Rights Policy and Global Whistleblowing Policy.

To promote diversity and inclusion, the company has launched several initiatives:

- A dedicated global Inclusion Think Tank Team works on the D&I strategy and performance. A supervisory position has been overseeing our D&I strategy.
- The Company's diversity and inclusion goals are integrated into the scorecards of the Chief People Officer and the PX, Culture & Leadership Director.
- The company has 23 local Inclusion Think Tank Teams, representing 31 countries globally in 2024.
- The company developed a comprehensive Global Diversity and Inclusion strategy through extensive research to gain a broader perspective. To amplify employee voices, a global inclusivity survey was conducted with 6,000 employees, along with focus group meetings and interviews with 210 employees and six top managers in 2023. This led to the creation of the "Diversity and Inclusion Committee" to improve the employee experience. A Global D&I Committee facilitates communication between countries and share best practices.
- Supported by top management, the strategy was shaped around four key focus areas and a 4+1 diversity approach.
- In 2024, the Arçelik D&I School opened, and six different sessions were carried out, aiming to raise awareness and knowledge levels of the Global D&I Committee and integrate them into action plans.
- We have further actions that continued in 2024 in terms of equal representation of gender, which is one of our four global priorities.
- In order to ensure that our progress towards inclusive culture at workplace, we offer side benefits for families, programs for parents, plus unconscious bias training and assessments.

↘ For further information regarding data on Diversity and Inclusion, please refer to Annex 9. Social Performance Indicators.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Gender Equality at the Workplace

We are committed to promoting workplace gender equality by ensuring equal rights and opportunities for all. Our efforts focus on increasing the representation of women at every level within our organization and raising awareness about the significance of gender diversity in business. In pursuit of these objectives, our recruitment and talent acquisition policy, along with the adherence to the principle of equal pay for equal work, plays a pivotal role.

EQUAL REPRESENTATION TARGETS

Our workplace gender equality targets are notably ambitious, aiming for a substantial increase in women's representation across all levels in the workplace. As a signatory of the UN Women's Empowerment Principles (UN WEPs) since 2017, we aim to promote gender equality in communities as well as at the workplace. We also support the Action Coalition platform and are committed to increasing gender equality at both workplace (STEM-related positions only) and communities.

↘ For further details regarding our equal representation targets, please refer to the Sustainability Targets section of the Report.

↘ For further details regarding data on gender equality at all levels and several positions, please refer to Annex 9. Social Performance Indicators.

Our roadmap towards our workplace gender equality targets covers the below mentioned initiatives:

- **Candidate Shortlists:** Our target is to have at least 50% or two women in all candidate shortlists, fostering a balanced and equitable selection process.
- **KPI Integration:** Integrate qualitative and quantitative Key Performance Indicators (KPIs) into hiring and talent management procedures across all subsidiaries to assess progress in advancing gender diversity.
- **Practices for Attraction:** Implement specific practices aimed at attracting more women to fortify recruitment and talent pipelines. Prioritize enhancing the visibility of women employees as role models and fostering attraction by featuring our women leaders as keynote speakers at university career activities.
- **Inclusive Job Postings:** Craft job postings with inclusive, gender-neutral language, focusing on objective criteria and comprehensive job descriptions to avoid discriminatory language

Equal Pay for Equal Work Principle

Gender pay equality assessments in line with our equal pay for equal work policy, evaluating multiple levels, including top management, management, and non-management. Regular monitoring of performance in terms of pay equity occurs, with Key Performance Indicators (KPIs) reviewed annually. This assessment covers our policies, procedures, documentation, targets, improvements, and compliance-related actions, ensuring ongoing commitment to pay equity.

↘ For further details regarding data on gender pay indicators, please refer to Annex 9. Social Performance Indicators.

Inclusive Culture at the Workplace

We offer a wide range of side benefits and programs to employees to empower them. In order to ensure that our workplace has an inclusive culture, we take actions towards eliminating unconscious bias.

↘ For further details regarding data of nationality, disability, and family leave, please refer to Annex 9. Social Performance Indicators.

SIDE BENEFITS FOR FAMILIES

Childcare allowance is provided as a side benefit in some locations in line with regulations. In 2024, we continued to provide lactation rooms, private spaces, and paid time off for breastfeeding to our employees, adoption leave, and assistance.

According to our global paid parental leave standard, our employees might be eligible for fully paid parental leave and benefits. The policy covers a minimum standard of 16 weeks of fully paid maternity leave and provide fully paid paternity leave options. Additionally, in cases of bereavement or when family support was necessary, we continued to provide paid time off beyond our standard benefits in 2024.

↘ For further details regarding data on family leave, please refer to Annex 9. Social Performance Indicators.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

ELIMINATING UNCONSCIOUS BIAS

As part of the inclusive culture transformation, Arçelik continued its work on unconscious bias in 2024. To date, the Unconscious Bias training program has made a significant impact, reaching 36 volunteer internal trainers, 3,516 employees across 23 countries. In line with our commitment to fostering an inclusive culture at the Company, we launched the Unconscious Bias Workshop. The workshops aim to empower employees to manage these biases effectively, enabling fair and objective decisions while encouraging inclusive behaviors. Open to all employees, the sessions are tailored to be accessible, with participants able to attend in 16 languages. With a team of internal skilled trainers, we have conducted 74 workshops, achieving an outstanding 76% Net Promoter Score (NPS). Participants have consistently highlighted the workshop's effectiveness in raising personal awareness and promoting equitable practices, solidifying its role in shaping a more inclusive workplace culture. By offering sessions in multiple languages, we ensure that every employee can fully engage with the content in a way that resonates with them.

↘ For further information regarding the unconscious bias training, please refer to the Future Fit Development section of the Report.

We carry out certain assessments yearly for our managers and recruiters in order to ensure a fair recruitment and internal promotion process free from unconscious bias. Therefore, these assessments including competency-based interviews, case studies, online simulations, and role plays are carried out by third-party companies with one-on-one feedback sessions for each participant.

Hiring managers and recruiters took part in the assessment in 2024 for competency-based interview techniques for hiring managers and recruiters, which are crucial to ensure fair methodologies and avoid discrimination. Additionally, objective evaluation criteria have been a part of "potential assessment forms", which are used for determining potential employees.

BUSINESS AGAINST DOMESTIC VIOLENCE

The Business Against Domestic Violence (BADV) Project, launched in 2013 by the Sabancı University Corporate Governance Forum with support from the Netherlands Consulate, aims to create workplace support mechanisms against domestic violence and promote best practices within the business community. The project is ongoing with the collaboration of UNFPA, Sabancı Foundation, and TÜSİAD.

Arçelik joined this initiative in 2024, and by the end of the year, finalized our Workplace Domestic Violence Policy.

To support this effort, BADV Trainer Trainings were conducted in 2024, covering six modules, with the goal of training two internal trainers from Human Resources and Legal teams to ensure widespread understanding and implementation of the policy.

WHAT'S Next?

The training about awareness of unconscious bias, aimed at reaching all employees, will continue in 2025.

The Workplace Domestic Violence Policy planned to be rolled out, and internal awareness will be enhanced with the involvement of a cross-functional project team led by Human Resources, including representatives from the Legal and Communications departments.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Regional Equal Opportunities and Inclusion Support Activities

IN EUROPE

Women Network

The Employee Resource Group focuses on supporting and empowering women leaders throughout their career journeys by providing learning opportunities and creating forums for collaboration and bonding with each other and senior management. The Women's Network required re-launching under the new umbrella of Beko Europe. Over the past few years, the Network has proven to be a strong contributor to the company's D&I agenda, with a key focus on women leadership, resulting in increased women representation at all levels. With the relaunch, activities will include workshops, panels, a mentorship program, promotion of policies, and engagement with external organizations and communities to enhance impact. In 2024, the core team consisted of 25 participants in the region, and the impact will be measured in 2025.

Young Professional Network

The Employee Resource Group aims to foster a community where members can grow, self-develop, and expand their networks across the region. In 2024, the Network consisted of 450 members across Europe and focused on creating an inclusive space that breaks down functional and generational silos. It encourages knowledge-sharing, the exchange of best practices, and the development of skills to support both personal and professional growth, ensuring members thrive and excel in their fields.

IN TÜRKİYE

D&I School for Employees' Children

Launched in Türkiye, the program is designed to be inclusive of all employee groups, welcoming employees' children in grades 9-12. The project engaged 40 children from 4 different age groups. The curriculum addresses critical topics such as the "Fundamentals of D&I, The Power of Diversity, Identifying and Overcoming Invisible Barriers, Combating Microaggressions and Bullying, Recognizing Unconscious Bias, and embracing diverse perspectives." Additionally, students are introduced to forward-thinking concepts like "Design Thinking, Artificial Intelligence, Sustainability, and Creative Ideation through an ideathon platform." The main goal of this project is to empower the next generation of leaders by equipping high school-aged children of employees with a deep understanding of Diversity and Inclusion (D&I) principles, as well as fostering creativity and innovation. Through an engaging curriculum and interactive sessions, the program aims to inspire participants to internalize D&I values, embrace diverse perspectives, and apply these principles in their schools, communities, and future careers.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Regional Equal Opportunities and Inclusion Support Activities

IN BANGLADESH

The Employee Wellbeing Program

A series of health and wellness events were organized in 2024 aiming at promoting physical and mental well-being. Key activities included a virtual session on maintaining a healthy diet during Ramadan, a stress management session for Mental Health Awareness Month, a health check-up and diabetes awareness program with a webinar on diabetes management, and an interactive session for Breast Cancer Awareness Month featuring expert presentations on early detection and individual counseling. These initiatives, coordinated by the HR department, provided valuable resources to support employee health and wellness.

Celebrating Diversity Through Special Observances

The initiatives reflect the company's ongoing efforts to promote diversity and inclusion by using special observance days as moments to highlight and celebrate the contributions of different groups. The virtual session on Women's Day, titled "Inspire Inclusion," provided a platform for global insights and motivational support, underlining the company's commitment to creating an inclusive culture. The celebration of Mother's Day recognized the balancing act that working mothers navigate between career and family, offering personalized messages and tokens of appreciation. Similarly, Father's Day celebrated the contributions of working fathers, acknowledging their role in fostering personal and professional growth.

IN PAKISTAN

The Ümit Program

Dawlance's flagship disability inclusion initiative aimed at fostering a workplace that celebrates diversity and empowers employees with disabilities. The program included over 80 employees with disabilities working across various roles within Dawlance in 2024. We also included impactful partnerships with several organizations.

Women's Development Program-Grit to Great 2.0

Launched in March 2023, our program, "Grit to Great" empowers women employees through workshops, mentorship, and skill-building. The year-long initiative aims to provide skills, resources, and growth opportunities, fostering leadership, expanding networks, and creating an inclusive environment. With over 150 participants across Pakistan in 2024, the program has increased the women employee satisfaction. All women employees now have increased exposure to senior management within the company.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

TALENT, PERFORMANCE AND CAREER MANAGEMENT

We believe in the importance of the roles played by employees in enabling our business to differentiate and transform. We are committed to aiding talent in unlocking their full potential. Therefore, we make a great effort to develop their skills and competencies through talent and performance management programs. Our talent management approach centers around our employees' skills and competencies. Our goal in talent management is to contribute to the growth and sustainability of our company by building steady and reliable pipelines for both leadership and critical roles.

We conduct talent review meetings globally every year to manage our human resources in the most effective way and create areas where employees can fully realize their potential by making the right investments. These meetings aim to create synergy by discussing the company's strategic priorities, future vision, and employee growth and development opportunities, and to take proactive actions by closely monitoring talent needs. We objectively evaluate our employees' performance and provide training, development and career opportunities, to enable them to take required initiative for their individual growth, with the principle of equipping people with the right skills for the right job. Within this regard, we annually analyze the gaps and needs, which result in assigned programs shaped for the roles and elective programs regarding the individual preferences.

Our talent acquisition process is carefully designed to align with sustainability goals, ensuring the recruitment of individuals who not only possess the required skills but also demonstrate a commitment to environmental and social responsibility. Through inclusive hiring practices and continuous refinement of recruitment strategies, we aim to build a diverse and sustainable workforce capable of driving long-term success.

To improve employee retention and attract new talent, our talent management approach includes:

- Providing our employees with solutions that allow for the development of functional and behavioral knowledge and skills, preparing them for future roles by equipping them with both current and future skills.
- Supporting our employees with the appropriate development activities at the right time to get the most out of the development activities.
- Supporting the development of our employees as a whole by means of "training or learning", "interaction" and "experiencing" methods and diversify the development activities we offer them.

Young Talent Programs

We firmly believe in the advantages of fostering a multi-generational and inclusive workplace. Accordingly, we have introduced a range of programs aimed at attracting young talent as a core component of our employer branding strategy, concentrating on recent and upcoming graduates. These dynamic programs offer tailored content for distinct target groups, enabling us to build meaningful, direct connections with young professionals. By facilitating personalized interactions and delivering experiences aligned with their values, interests, and career aspirations, we deepen engagement and cultivate long-term relationships with the next generation of talent.

Fresh Start Internship Program

WE-inTech

PREP

↘ For further information regarding our other young talent programs (WE-inTech, PREP), please refer to the Supporting Society with Equal Opportunities and Inclusion section of the Report.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Fresh Start Internship Program

We extend an invitation to young and bright talents in their third and fourth years of university or recent graduates, offering them a first-hand experience of Arçelik's work environment through our annual Fresh Start internship program. This immersive initiative provides students with exposure to factories and offices across different countries, coupled with tailored training and projects geared towards fostering competence development across various fields. Upon successfully completing the internship, participants may seize the opportunity to transition into a permanent role at the Company.

We engage our target audience through a multifaceted approach, utilizing advertisements, social media platforms, career portals, and experience-driven events. The program consistently garners an average of more than 13,000 applications annually. In 2024, we continued to offer internship opportunities, welcoming students from diverse backgrounds and countries including Türkiye, Pakistan, Romania, Thailand, South Africa, and Bangladesh.

Smart League

Smart League is a two-step competition designed for engineering college students to identify the most talented individuals in Beko LLC. The competition consists of two stages, written exams to assess logical and numerical abilities and practical mechanical work with equipment to evaluate engineering skills. The examination commission comprises our engineers and production managers, who assess the results.

Young Challengers & Future Challengers Program

There are several programs at LG designed to invest in young talent, including the Young Challengers Summer Internship Program for 3rd and 4th-year students and the Future Challengers Program for final-year students, graduates, and master's students. Interns receive mentorship, work on projects, and present their results to HR and managers. Based on evaluations, six interns were hired, demonstrating a strong commitment to developing future talent.

University-Industry Cooperation Program

Cooperating with universities enables us to deepen our understanding of young talent while aiding them in transitioning their academic skills to practical work settings. In addition, we strive to create a pool of young talent by collaborating with various universities. Through these partnerships, we aim to establish pathways for recruiting young talents directly from academic institutions into our workforce.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

PERFORMANCE MANAGEMENT

Our performance management system focuses on transparency, stays agile and flexible, supports cooperation, and is fed with open and continuous feedback dialogues. The system helps us to consistently track our employees' performance, ensuring that both employees and departments across the organization are working effectively towards achieving our business targets. Managing the performance of our employees is also an important part of engaging and motivating our workforce.

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

In 2023, we implemented the Koç Dialogue performance process in our subsidiaries across 38 countries, and we covered over 5,300 employees in 44 countries in 2024.

To improve performance management for especially agile working teams, we implemented a separate tool that collects team members' reviews of employees' performance using a specific template. By providing structured feedback, this tool offers clear guidance to managers prior to performance evaluations on the Koç Dialogue, a process for setting and reviewing individual goals and development plans.

	Objective Key Results (OKRs)	Feedback and Development Dialogue	Multi-Dimensional Performance Appraisal
SCOPE	• A maximum of five objectives and a maximum of four key results for each objective are defined • Specific, measurable, achievable, relevant, and time-bound (SMART) objectives, and tracking progress toward achieving those objectives through specific key results • A living system which is open to continuous revisions	• A clear structure of agile feedback collection process between team managers and employees • Reviewed and adjusted OKRs regularly based on feedback and results to ensure continuous improvement	• Separate evaluations based on: - What results were achieved - How the results were reached
TYPE	• Individual OKRs: Set by an individual employee to achieve personal objectives and measure individual performance • Collective OKRs: Set by a team or group of employees to achieve shared objectives and measure team performance, which can foster collaboration and a shared sense of purpose • Development OKRs: Focused on personal or professional growth, helping employees acquire new skills and knowledge to advance in their careers and improve engagement and job satisfaction	Periodic check-in meetings held five times in a year between managers and employees to: • Define OKR is a goal setting framework that helps organizations define and track objectives along with measurable outcomes, fostering clarity and alignment within the team. • OKR Fine Tuning involves the process of adjusting and refining Objectives and Key Results to ensure they remain relevant and challenging. • Self-Criticism refers to the practice of individuals evaluating their own performance, identifying areas for improvement, and actively seeking ways to enhance their skills or processes. • Career Talks involve discussions or sessions focused on individuals' professional development, career goals, and strategies to navigate their career paths. • End Year Meeting is a gathering where teams or organizations reflect on the achievements, challenges, and lessons learned throughout the year, setting the stage for future planning and improvements in the coming year.	• 360-degree feedback can be obtained by peers, supervisors, subordinates • More complete understanding of employees' performance and provide more targeted feedback

↘ For further details regarding performance evaluation, please refer to Annex 9. Social Performance Indicators.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

FUTURE FIT DEVELOPMENT

At Arçelik, we believe that investing in people is investing in the future. Our commitment to Learning & Development (L&D) remains at the core of our people strategy, ensuring that our employees, both full-time and part-time, are continuously growing, adapting, and thriving in an evolving world. Through structured upskilling & reskilling learning programs, leadership development initiatives, and digital learning platforms, we provide our people with the future fit skills and capabilities they need to drive both personal and organizational success.

In 2024, we continue to strengthen our L&D approach with a focus on future-fit skills, enhancing digital, technical, and leadership competencies to equip our workforce for the challenges ahead. We are also expanding global learning accessibility through Beko Learn, our AI-powered digital learning platform, and personalized development journeys, which support employees in creating individualized growth plans through the development planning cycle.

Our Development Planning Cycle ensures that every employee has a clear roadmap for growth by following three key steps:

1. **Be Aware:** Employees receive 360-degree feedback, self-assessments, and manager input to identify strengths and areas for improvement.
2. **Dream Big:** Employees and their managers collaborate to build individualized development plans that align with both personal aspirations and business goals.
3. **Take Action:** Employees execute their plans by engaging in structured learning programs, coaching, and mentoring opportunities, supported by their leaders.

Additionally, we reinforce our learning culture on a global scale through Groweek, our annual development week dedicated to inspiring continuous growth and engagement. During Groweek, employees worldwide participate in interactive workshops, keynote sessions designed to elevate skills and career development.

Our efforts in L&D are driven by measurable impact and continuous improvement. In the year 2024:

- A total of 1,166,146 FTE x hours of training were provided , with the average hours and amount spent on training and development per employee being 22 hours and TRY 4,006, respectively.
- 524 participants from 57 countries participated in leadership development programs.
- 8 training hours per employee, reflecting our investment in upskilling and reskilling.
- A total of 68,497 hours of online training were completed, representing 6% of all training delivered.

We remain dedicated to scaling our learning ecosystem, integrating sustainable learning practices, and fostering a culture of continuous development. Through our Future Fit Development catalogue, leadership programs, and digital learning expansion, we will continue to empower employees at every level to unlock their full potential.

Future Fit Core

At Arçelik, we believe a strong organizational culture is key to fostering an engaged and future-ready workforce. Our Core Programs integrate employees into the the Company's Community, aligning them with our values, leadership principles, and strategic priorities while ensuring compliance, skill development, and collaboration. In 2024, a total of 742,590 hours of training was provided under the Future Fit Core programs.

The Warm-Up Orientation Program, implemented globally, helps new employees adapt quickly by introducing the Company's history, values, Leadership DNA, and key business practices. It accelerates engagement, productivity, and cultural alignment, ensuring employees understand our sustainability vision. In 2024, the program reached 453 employees across 32 countries, and a total of 756 hours of training were provided.

To reinforce leadership capabilities at every level, Leadership DNA Essentials Training is designed to introduce and internalize the Company's Leadership DNA to support culture alignment. With a variety of tailored learning paths, employees can strengthen their leadership skills while expanding their professional networks. In 2024, 200 sessions were delivered to 2,781 employees from 39 subsidiaries, totaling 33,372 hours, with a NPS of 50.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

PURPOSE DRIVEN PROGRAMS

At Arçelik, we believe in empowering our employees through purpose-driven programs that align with our mission, values, and strategic priorities. The Purpose-Driven Programs ensure employees receive core training aligned with the Company's mission, values, and regulatory requirements. Regularly updated, it supports compliance, risk mitigation, and stakeholder engagement. In 2024, 478,364 hours of training was provided.

The Compliance Program, developed in collaboration with Koç Holding, delivers formal and comprehensive training on ethical standards and legal requirements. Covering topics such as Code of Conduct, Anti-Bribery, Data Protection, Competition Law, and Export Controls, the program equips employees with the knowledge and skills to mitigate risks and uphold corporate integrity. As of 2024, a total of 10,963 employees have successfully completed the Compliance Program, receiving a total of 19,703 hours of training. These programs are inclusive of full-time, part-time, and contractor employees, ensuring company-wide participation. Our initiatives, such as the Unconscious Bias Training for managers and Rising Together for women leaders foster an inclusive, equitable, and forward-thinking workplace. By equipping our people with the knowledge and skills to drive meaningful change, we strengthen our collective vision for a more diverse, sustainable, and purpose-driven future.

Program	Target Audience	Objectives and Business Benefits	Impact of Business Benefits
Rising Together	Women Leaders	Rising Together is designed to nurture women leaders' professional growth and career advancement. Through a blend of leadership sessions and peer learning circles, the program aims to enhance gender awareness and the professional growth and career advancement of women leaders. Leadership sessions will pave the way for insightful discussions, while peer learning circles will offer a platform to share experiences, connect, and foster a rich exchange of perspectives and insights. As part of these circles, participants also engage in mentorship, supporting and guiding one another through shared challenges and experiences. The program enhances leadership skills and capabilities through tailored development.	• The satisfaction rate of the program was 79%, while its NPS was 33. • 108 participants completed 1,100 training hours.
Unconscious Bias	All Employees	Unconscious bias training is designed to help individuals become aware of the implicit biases they may hold, which can affect their judgments and interactions without them realizing it. These biases often stem from stereotypes or societal norms and can influence decisions in the workplace, such as hiring, promotions, or everyday interactions. The training aims to encourage self-reflection, helping participants recognize and mitigate these biases, promoting a more inclusive and fairer environment where diverse perspectives are valued. The program fosters a more inclusive workplace culture that values diversity. Enhances collaboration and innovation by reducing bias-driven barriers.	• The program's NPS was 62. • There were 39 trainers from 23 countries. • A total of 75 training sessions totaling 3,774 hours were conducted for 2,516 employees globally.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Future Fit Capability

Through a diverse range of capability programs, we focus on equipping our employees with the skills they need to succeed in their roles and developing the essential competencies required to navigate an evolving business landscape. In 2024, a total of 390,461 hours of training were provided under the Future Fit Capability programs.

In addition to technical and commercial skills, we also provide language solutions to support effective communication in a global work environment. In this context, a total of 57,484 hours of training were provided in 2024.

By combining reskilling and upskilling initiatives, we ensure that our employees stay ahead of industry trends, adapt to new challenges, and drive innovation across the organization. These programs not only enhance current expertise but also prepare our workforce for emerging opportunities, fostering a culture of continuous learning and professional growth.

The Company has developed and implemented a comprehensive in-house sustainability training program in 2024. This program covers key ESG (Environmental, Social, and Governance) topics and is designed to build awareness and capability across the organization. It includes insights from the broader business landscape as well as the company's own strategic position, supporting employees in understanding and responding to industrial and climate transition challenges.

Program	Target Audience	Objectives and Business Benefits	Impact of Business Benefits
TechPro Academy	Engineers in the Production and Technology group	TechPro Academy aligns with industry trends, emphasizing design thinking, data analytics, material and process flow, and user experience. As a key driver of digitalization, it strengthens workforce capabilities for Industry 4.0 transformation. TechPro equips engineers and specialists with advanced skills and a forward-thinking perspective. TechPro-T enhances operators' technical expertise and personal competencies to meet evolving industry demands. Business Benefits: • Supports the company's digital transformation strategy. • Translates academic insights into practical applications within the function.	• The satisfaction rate of the program was 91%, while its NPS was 64. • 20% of the audience reached: 324 participants out of 1,623 eligible employees completed 8,035 training hours. • 1,718 participants completed 7,245 training hours between 2016-2024.
Technical Academy 4.0	Technicians and operators working in the Production and Technology group	Technical Academy 4.0 enhances the technical knowledge and skills of technicians and operators in the Production and Technology group, aligning with Industry 4.0 standards. Focused on digitalization, automation, and data analytics, it facilitates adaptation to innovative technologies and fosters active participation in digital transformation. **Business Benefits:** • Accelerates the integration of digitalization into production processes. • Improves operational efficiency and elevates quality standards. • Equips technicians and operators with modern technical skills to meet Industry 4.0 demands. • Supports environmentally friendly practices and enhances workplace safety.	• The satisfaction rate of the program was 92%. • 23% of the audience reached: 116 participants out of 513 eligible employees completed 4,013 training hours. • 415 participants completed 13,929 training hours between 2019-2024.
MEXT Digital Literacy Training	Hourly paid employees	MEXT Digital Literacy program increases awareness of digitalization among all hourly paid employees by exploring key aspects of digital transformation across the industry, from suppliers to customers. Through hands-on experience in production simulation, employees gain practical insights into innovative technologies. **Business Benefits:** • Enhances understanding of digital transformation and its industry-wide impact. • Encourages seamless adoption of digital practices in daily operations. • Prepares employees to adapt to evolving technologies and industry standards.	• 27% of the audience reached: 3,217 participants out of 11,714 eligible employees completed 24,305 training hours between 2022-2024.
Digital Citizen Program	Monthly-paid employees applied to become a Citizen Developer	**The Digital Citizen Program** is designed to build the competencies required for digitalizing company processes, equipping employees at all levels with the skills necessary to navigate and contribute to the company's digital transformation efforts. Introductory AI training raises awareness and provides foundational knowledge for all employees, while AI-specific programs for production and technology leaders enhance AI awareness, encourage engagement in AI initiatives, and strengthen project management capabilities. Additionally, the Digicrew Program offers training in RPA, low-code/no-code platforms, and Power Apps, enabling participants to develop digital projects that optimize work processes. **Business Benefits:** • Equips leaders to drive and manage digital transformation initiatives. • Enables employees to develop impactful digital solutions. • Supports value-driven digital projects that improve productivity and innovation.	• In 2024, 836 Atlas apps and reports over 40 RPAs, 50 apps were developed. • With these projects, developers reached a total of 11 people workforce saving, and around 18,000 hours earning. • 98% of the audience reached: 489 participants out of 500 completed 3,344 training hours of our digitalization programs. • These projects boosted efficiency by 16 FTE, saving 18,000 hours. Internal training and peer mentoring further generated € 99,000 in savings. • The Digital Citizen Program initiative was recognized with the Best Change Management Award from IDC CIO Awards Türkiye and the AI25 Visionary Customer in AI & Automation Award from UiPath globally in 2024.

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FUNCTIONAL CAPABILITY PROGRAMS

Program	Target Audience	Objectives and Business Benefits	Impact of Business Benefits
Marketing Academy	Marketing Teams	One Marketing Academy offers tailored training programs to upskill and reskill the One Marketing team, driving top-line performance and future readiness. By aligning with our marketing vision, the academy fosters a unified marketing language and strengthens capabilities to meet evolving market demands. **Business Benefits:** • Enhances marketing capabilities and alignment with strategic goals. • Promotes agility and collaboration to address market changes. • Prepares employees to drive growth and innovation.	• The program doubled AI knowledge score to 89 with 44 points uplift. • Marketing teams demonstrated AI capability above the industry average, scoring 58% compared to the industry's 51%. • 55% of the audience reached: 526 participants out of 950 eligible employees completed 5,691 training hours.
Product Academy	Product and Brand Teams	Product Academy offers a wide range of global training programs aimed at enhancing the competencies of product and brand teams. With a focus on digitalization and agile processes, the academy provides AI-powered, interactive training content through 400 high-quality video modules, available on the Beko Learn platform. The program includes LMS modules, sales simulations, persona development, and storytelling. Hands-on training is also offered through the Erasmus+ program in regions such as Beko Gulf and the UK, alongside 13 global product training sessions focusing on emerging technologies. To enhance accessibility, AI-driven training videos are available in multiple languages for diverse markets. **Business Benefits:** • Delivers advanced, AI-powered learning experiences to enhance skills. • Expands global reach with multi-language training and hands-on programs. • Supports upskilling in emerging technologies and agile processes.	• Online training reached 851 participants, increasing the success rate by 49%. • Hands-on training engaged 47 participants, leading to a 57.5% improvement in success rates. • Expanded accessibility of training content through AI-driven multilingual modules.
HR Academy	Human Resources Teams	HR Academy focuses on enhancing HR teams' capabilities in development, coaching, and facilitation, empowering them to drive impactful initiatives and foster a culture of growth and collaboration. **Business Benefits:** • Equips HR teams to lead key initiatives. • Strengthens HR capabilities to drive organizational growth.	• The program's NPS was 14. • 39 participants completed 1,688 training hours.
Purchasing Academy	Purchasing Teams	The Purchasing Academy Program, developed in collaboration with the Chartered Institute of Procurement and Supply (CIPS), aims to enhance employees' purchasing knowledge and skills in key areas such as Strategic Purchasing, Advanced Negotiation, Procurement Risk Management, and Financial Literacy. **Business Benefits:** • Enhances employees' strategic thinking and effectiveness in procurement. • Improves skills in key areas to drive better purchasing decisions. • Provides training based on internationally recognized standards.	• The satisfaction rate of the program was 87%, while its NPS was 46. • 24% of the audience reached: 78 participants out of 331 eligible employees completed 1,414 training hours

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

FUNCTIONAL CAPABILITY PROGRAMS

Program	Target Audience	Objectives and Business Benefits	Impact of Business Benefits
Supply Chain Academy	Supply Chain Teams	The Supply Chain Academy supports the transformation of our supply chain by enhancing the knowledge and skills necessary for managing global business processes efficiently. The program focuses on developing digital competencies (RPA, process digitalization), advanced technological skills (data analytics, AI), and fostering a collaborative, holistic approach to supply chain management. **Business Benefits:** • Improves operational efficiency through advanced technologies and digital competencies. • Supports cost reduction and time savings by enabling effective Supply Chain transformation. • Enhances problem-solving, collaboration, and adaptability, strengthening the company's competitive advantage.	• The satisfaction rate of the program was 96%, while its NPS was 71. • 72% of the audience reached: 178 participants out of 248 eligible employees completed 3,810 training hours.
Finance Academy	Finance and Accounting Teams in Türkiye	The Finance Academy aims to develop both current and future technical competencies by fostering a collaborative environment. The program strengthens a shared knowledge base, supports career growth, and encourages exploration of diverse career paths through cross-functional mobility. It accelerates talent development, sparks curiosity for learning, and enhances adaptability to future business needs. **Business Benefits:** • Enhances technical competencies to meet current and future business requirements. • Promotes cross-functional mobility, encouraging employees to explore diverse career paths. • Accelerates talent development and fosters a culture of continuous learning and collaboration.	• The satisfaction rate of the program was 4.16 out of 5 while its NPS was 38. • A knowledge uplift of 28 points. • 94% of the audience reached: 298 participants out of 316 eligible employees completed 3,500 training hours.
Sensor Development Program	Central R&D Sensor Technologies, Central R&D Related Employes, Related Plant Teams	The Sensor Development Program is designed to equip employees with the skills required to drive innovation and support the company's success in sensor technology through a mix of face-to-face, online, and on-the-job learning. **Business Benefits:** • Drives innovation in sensor technology. • Supports long-term talent development for sustained success.	• The program's NPS was 75. • In total internal classes, 40 participants completed 287.5 training hours.
Electronic Development Program	Electronics Teams (Hardware and software) in Production & Technology	The Electronics Development Program focuses on enhancing software and hardware competencies by providing specialized training in areas such as embedded software, robotics, computer vision, high-speed hardware design, and PCB layout. Personalized development roadmaps align skill-building efforts with technological demands. **Business Benefits:** • Equips employees with future-ready competencies to meet evolving technological needs. • Fosters innovation and technical excellence across the organization.	• The program's NPS was 100. • In total internal classes, 34 participants completed 260 training hours.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

FUNCTIONAL CAPABILITY PROGRAMS

Program	Target Audience	Objectives and Business Benefits	Impact of Business Benefits
Design Academy	Design team,	The Design Academy enhances core design skills through a comprehensive curriculum and specialized courses, equipping participants with technical expertise to contribute to innovative design solutions. **Business Benefits:** • Strengthens R&D capabilities through advanced skill development. • Boosts productivity and quality in structural design projects.	• The satisfaction rate of the program was %92. • 77% of the audience reached 307 unique participants out of 400 eligible employees completed a total of 12,407 training hours.
Quality Academy	Quality Teams	The Quality Academy is designed to enhance the competencies of quality teams, aligning with the company's current and future needs. The program supports strategic goals by providing a comprehensive perspective on processes and increasing technical knowledge in quality-critical areas. In the Premium Quality year, Quality Academy was launched in December to enhance the understanding of quality and support the company in achieving its quality objectives. **Business Benefits:** • Strengthens technical knowledge and awareness to address production challenges effectively. • Fosters peer-to-peer learning and collaboration, enabling the transfer of expertise.	• The impact of the program will be reported in 2025.

BUSINESS CAPABILITY PROGRAMS

Program	Target Audience	Objectives and Business Benefits	Impact of Business Benefits
Agile Academy	Functions practicing Agile methodology	The Agile Academy supports the adoption of agile culture, principles, and governance across the Company. It provides role-based training for teams transitioning to agile working methods or adopting agile organizational structures. The program also supports leaders in adopting an agile mindset and develops key roles within agile teams, with agile coaches playing a leading role in spreading agile practices. **Business Benefits:** • Facilitates the transition to agile organizational structures and empowers teams for agile projects. • Helps leaders adopt an agile mindset and supports role-specific growth. • Fosters an adaptable, efficient work culture essential for agile success.	• The satisfaction rate of the program was 83.6%, while its NPS was 42. • 19% of the audience reached: 414 participants out of 2,139 eligible employees attended and received a total of 6,754 hours of training.
Global Leader Program	Employees working intensively on international platforms	Global Leader is an International Business Management Program, organized in collaboration with Koç University. Aligned with our vision of "Respecting the World, Respected Worldwide," the program equips participants with global knowledge, diversity management skills, and the ability to enhance efficiency, collaborate across cultures, and promote synergy. **Business Benefits:** • Enhances global cooperation and productivity by managing diversity and applying corporate standards. • Strengthens our international presence and fosters synergy through improved global representation.	• The program's satisfaction rate was 92% while its NPS was 97. • 25 participants completed 2,410 training hours.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

FOSTERING A CULTURE OF LEARNING THROUGH KNOWLEDGE SHARING

At Arçelik, peer learning and knowledge-sharing initiatives are key components of our development culture. Beyond structured training programs, we believe that learning from one another enhances collaboration, strengthens our corporate culture, and accelerates individual and organizational growth. This commitment is reflected in various initiatives integrated into our leadership and development programs.

One of our flagship initiatives, the Internal Trainer Program, empowers subject matter experts within the Company to share their expertise, mentor others, and contribute to the continuous learning journey of our employees. Since its launch in 2021, we have been training internal trainers to expand peer learning on a global scale, ensuring that all our subsidiaries benefit from the same knowledge-sharing ecosystem. In 2024, 86 internal trainers from 3 countries conducted a total of 21,375 hours of training, reaching 1,083 employees worldwide. This initiative has led to higher efficiency and quality in business processes, as well as a financial benefit of over TRY 9 million.

Another initiative, MastersClass, is designed with a peer-to-peer learning perspective, where experienced employees take on trainer and mentor roles to guide young talents while also benefiting from reverse mentoring opportunities. The program institutionalizes conceptual knowledge and experience, ensuring that expertise is effectively transferred within the organization. In 2024, 168 participants completed 560 training hours, achieving a satisfaction rate of 88%.

Additionally, our Employee Resource Groups (ERGs) play a vital role in fostering learning, collaboration, and empowerment within the Company. The Women's Network ERG focuses on supporting and empowering women leaders by providing learning opportunities and mentorship, while the Young Professionals Network connects early-career employees across Europe to enhance community, diversity, empowerment, and cross-cultural learning. With 450 members, this network creates an environment where young professionals can expand their knowledge, develop skills, and build meaningful connections across regions.

One Marketing Talent Switch program allows our marketers to contribute to various projects in addition to their current roles, enabling them to gain diverse experiences and capabilities. These project-based assignments, whether on site or online, serve as developmental approaches to learn from others and ensure they enable organizational growth while upskilling our talents across the organization. Projects are identified by marketing teams and include functional training, networking activities, and participation in Agile projects.

By embedding peer learning and mentorship into our development ecosystem, the Company reinforces its commitment to lifelong learning, diversity, and global knowledge sharing, ensuring that every employee can grow, contribute, and thrive in a collaborative environment. A total of 486 employees have conducted 3,268 hours of coaching/mentoring sessions.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Future Fit Leadership

INVESTING IN LEADERSHIP: DEVELOPING THE LEADERS OF TOMORROW

At Arçelik, leadership development is at the heart of our commitment to sustainable growth and innovation. We believe that strong leaders create strong organizations, and that is why we invest in leadership at every career transition–starting from young talents and extending to our senior executives. Our Future Fit Leadership Programs are designed to support leaders at every stage of their journey, ensuring smooth transitions, equipping them with the right skills, and preparing them for strategic responsibilities.

In 2024, a total of 33,095 hours of training were provided in line with our commitment to leadership development. A total of 524 participants from 57 countries took part in training through the Future Fit Leadership Academy.

The Future Fit Leadership 1.0 program focuses on young talents, preparing them for leadership roles through a year-long journey that includes 360-degree feedback, coaching, peer learning, and innovation-driven project design sessions. Over the past 3 years, we have supported 208 young talents, with 34% advancing into leadership positions.

For new managers, we offer Future Fit Leadership 2.0, one of the Company's longest-running leadership development programs, designed to ease the transition into team management through interactive digital learning, coaching, and real-world application. In 2024, 223 first-time managers participated in the program, strengthening leadership capabilities at all levels. As leaders grow into more senior roles, Future Fit Leadership 3.0 equips them with strategic leadership skills through assessment inventories, face-to-face workshops, and group coaching. Last year, 34 senior leaders participated in this program, enhancing their ability to drive organizational transformation. Finally, for our top executives, Future Fit Leadership 4.0 provides a holistic transformation journey, helping them develop a long-term strategic vision and lead impactful change.

At Arçelik, leadership development is not just a program–it is a strategic investment in the future. By equipping our leaders with the skills, tools, and mindset they need at every career stage, we ensure that our organization remains agile, innovative, and future-ready. From young talent to senior executives, our leadership programs create a continuous learning ecosystem, reinforcing our commitment to sustainable growth, innovation, and excellence.

By fostering a strong leadership culture, we are not only preparing our teams for success today–we are building a future where the Company continues to lead with vision, purpose, and sustainability.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Navigating Change the Future-Fit Way: Career & Retirement Support

SUPPORTING EMPLOYEES IN RETIREMENT TRANSITION

In Türkiye, we support employees preparing for retirement through Koç Holding Emekli Vakfı (KHEV), a dedicated fund designed to provide financial contributions and guidance during this crucial phase.

As part of this initiative, financial literacy and investment seminars are organized to equip employees with the necessary knowledge and tools to manage their finances effectively post-retirement. These sessions cover a range of financial planning topics, helping employees make informed decisions about their future security and well-being.

SUPPORTING CAREER TRANSITIONS: NEW CAREER TRANSITION PROGRAM

At Arçelik, we are committed to supporting employees through every stage of their career journey. In 2024, we introduced the New Career Transition Program, designed to provide structured guidance and professional support for employees navigating career changes.

Developed in collaboration with a leading human resources consultancy specializing in outplacement services, the program offers personalized coaching and career planning to help individuals transition smoothly into new professional opportunities.

The New Career Transition Program provides tailored support to employees navigating career changes. It helps participants assess their strengths, define career goals, and enhance their professional branding through CV optimization and LinkedIn profile development. The program also equips them with job search strategies, networking techniques, and interview preparation, ensuring a smooth transition into new opportunities.

In 2024, 34 employees participated in the program, gaining essential career transition skills and professional guidance.

By empowering employees with the right tools and support, the Company strengthens its commitment to sustainable workforce development and long-term career resilience.

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.

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The duration of the four types of assignments can be:

Short-term Assignments: An international assignment of a temporary duration starting from 3 months to 1 year that does not usually imply a change of residence. Short-term assignments are not structured as including family accompaniment to assignee.

Long-term Assignments: An international assignment of temporary duration lasting more than 1 year, after which the employee is either expected to take up another assignment or return to Home Country:

- Strategic Long-term Assignments: lasting from a minimum of 3 years to a maximum of 5 years. Any assignment extension should be approved by the CEO.
- Technical Expert Long-term Assignments: lasting from a minimum of 1 year to a maximum of 3 years, with exceptional extensions to a maximum of 5 years. Any assignment extension should be approved by the CEO.
- Developmental Long-term Assignments: lasting minimum 1 to maximum 3 years.

Permanent Transfers: A transfer to another country with no defined end date. Please note that Employee driven assignments mentioned before are treated as Permanent Transfers with regards to terms and conditions. This scope includes employees who apply for and are hired for a permanent position outside their home country through the global internal job posting system. Permanent transferees receive remuneration in line with Host Country peers.

The Talent Mobility opportunities allow employees to gain experience in different functions or countries during their early career advancements to prepare them for broader roles. Therefore, rotation experience is a criterion that is considered for growing to senior level appointments.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Promotion

Regarding internal promotions, we implement two different methods which are job grading and organization assignments.

JOB GRADING

Job grading provides a structured and transparent framework for managing compensation, recruitment, organizational development, and career progression.

It ensures a consistent approach to evaluating the relative size of positions, regardless of individual performance or competencies.

Managerial position grades are periodically reviewed, and job grades are evaluated in line with evolving organizational structures. For specialist-level employees, promotions take place to support their career progression.

ORGANIZATIONAL ASSIGNMENTS

- A pool of talents through both our internal job posting mechanism and succession plans
  - Internal job posting mechanism informs our employees for the vacant positions and contribute to our internal talent pool
  - Succession plans cover vertical or horizontal appointments as advancements or job rotations for current management positions to grow from inside and create opportunities for individuals to develop within the organization.
- Through succession plans, we also aim to:
  - Utilize its internal human capital and invest in the right people to be ready for the right positions
  - Transfer of know-how of managerial roles to the individuals in the pipeline
  - Support the organization's speed and agility to respond to changes and/or growth

↘ For further information on internal hires and employees promoted data, please refer to Annex 9. Social Performance Indicators.

EMPLOYEE REMUNERATION, FINANCIAL COMPENSATION AND SIDE BENEFITS

Our Global Salary Policy guides us in remuneration and compensation processes. In addition, the current situation is monitored through living wage analyses to better understand and assess wage levels across our operations. A significant percentage of employees are compensated with wages above the minimum wage. We are committed to setting and enforcing maximum working hours in our own operations and encouraging our contractors and partners to adopt similar limits to protect worker well-being. We also ensure our employees at factories are paid in case of overtime work.

We are committed to paying workers their full annual leave entitlements in our own operations and working with contractors and partners to uphold this standard. The company actively monitors and supports employees in taking their full paid annual leave entitlements, recognizing the importance of rest, well-being, and work-life balance. Compliance with annual leave policies is regularly reviewed to ensure alignment with employment regulations and internal standards.

As Arçelik, we apply the principle of "equal pay for equal work" to all our remuneration procedures and our approach is to provide a competitive salary for our employees.

↘ For further information regarding living wage and gender pay indicators, please refer to Annex 9. Social Performance Indicators.

↘ For information regarding our global paid parental leave standard, please refer to the Side Benefits for Families section of the Report. For further details regarding data on family leave, please refer to Annex 9. Social Performance Indicators.

↘ For the information regarding the health insurance of our employees, please refer to the Occupational Health and Safety section of the Report.

We also offer extensive benefits to further support our employees. Benefits provided for employees in Türkiye are private health insurance, membership of the Koç Holding fund for retirement and social support, professional and personal development training, awards for supreme performance, devotion, contribution and creativity, transportation, the Koç Family Program (special advantages regarding the products and services of Koç Group companies, special campaigns, and extra benefits), loan application (for car, house purchases, special events, etc.), social benefits (funds for marriage, birth, education, etc.), lunch, and medical treatment in the workplace. Position-oriented benefits exist for employees in Türkiye such as accident insurance, health checkups, mobile phones, car, oil expenses, repair, and maintenance. Monthly paid employees can benefit from Flextra in Türkiye, a flexible and customizable benefits scheme. Employees are given several options to select from including life insurance, gift cards, check-ups, and private pension plans, subject to the allocated budget.

Global benefit processes are structured by considering country dynamics and market approaches and are updated when necessary. Employee benefits vary from country to country. These processes are managed through regular market analyses and benchmarking studies to ensure competitiveness and alignment with local needs.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

EMPLOYEE ENGAGEMENT

Employee engagement is one of the focus areas that ensures our employees have work-life satisfaction. Our aim is to create a diverse, inclusive, and transparent working environment where everyone feels equally valued. We conduct employee engagement surveys yearly for our global operations. The engagement survey asks about the degree of satisfaction with the job, the purpose employees feel they have, plus happiness and stress felt at work. The employee engagement survey questions cover 14 categories in total including diversity and inclusion, performance management, rewards and recognition.

We strongly pursue our goal to increase employee retention by understanding the reasons behind employee turnover. We consider both individual and industry-specific factors when determining the target turnover rate, analyzing the reasons behind voluntary and involuntary turnover, and implement strategies to reduce the turnover rate.

↘ For a breakdown of the employee engagement data and turnover rates, please refer to Annex 9. Social Performance Indicators.

To ensure continued high employee engagement, our practices are as follows:

- Employee engagement research continues to be conducted within the framework of confidentiality rules. When the results are announced, employees and managers create action plans together, and managers receive feedback from employees. This helps our current and future talent to form a strong bond with our company in their professional and personal lives.

- We regularly listen to our employees by conducting pulse surveys to collect their feedback. We make action plans according to survey results and share and realize them with the relevant units.
- We organize regular town hall meetings where employees get informed about updates and news concerning the company and engage with top management.
- The Suggestion System enables all employees to give suggestions on productivity quality, and process improvements in line with the company's goals and strategies and share them with the top management team.
- We make sure to conduct one-to-one dialogues between employees and their managers every three months to discuss achievements and challenges and mentor them for their professional development.
- We organize DialogueZone meetings globally where our top management team come together with volunteer employee groups to answer their questions and hold candid discussions.
- We reward our employees for their successful projects as part of our global Pioneers Award Programs under five distinct categories: Environment Society Contributors, Digitalization, Collaboration Developers, Creative Innovators, and Growth Accelerators.
- We annually celebrate employees' years of service (over 10 years) and give them rewards and appreciation certificates.
- We also started to address things that affect employees every day such as food, service, and hygiene issues at locations in 2024.
- One of our focus areas has been the implementation of new procedures for special and difficult life experiences (death, birthday, promotion, etc.) in 2024.

FUTURE FIT CULTURE, TALENT & ORGANIZATIONAL MANAGEMENT

Great Place To Work. Certified

GREAT PLACE TO WORK

Best Workplaces Certification

The certification program awards organizations offering the best working environment and aims to recognize companies that stand out in their industries as employers of choice. Beko Austria has been certified as “Great Place to Work” and ranked 6th “Best Place to Work” in the relevant category in 2024. The recognition shows our transformational journey perfectly aligned with our HR strategy and people agenda for both short and long term.

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.

Employee Hobby Clubs

The Company has 13 different hobby clubs that appeal to different interests to support the hobbies that our employees want to experience or develop outside working hours. In addition to contributing to the individual social and cultural development of employees, clubs also strengthen internal communication ties within our company.

Flexible Working Hours Program

Our Flexible Working Hours Practice allows monthly paid employees to manage their schedules according to their needs. Under this practice, employees can structure their work hours, provided they are in the office or online between 10:00 a.m. and 4:00 p.m. Outside of these core hours, they may adjust their schedules to meet the weekly work hour requirement in accordance with local regulations.

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.

EMPLOYEE HEALTH AND SAFETY

At Arçelik, we are committed to promoting the health and safety of all individuals, including our employees and contractors, through a range of proactive measures. We also promote harmony and excellence in employee health and safety practices among employees and stakeholders by maintaining the sharing of knowledge and experience.

We manage OHS through an integrated approach with our quality and environmental management systems. In 2024, 67% of our manufacturing plants, including our headquarters, were covered by ISO 45001 OHS Management System certification which accounts for 74% of FTEs within the relevant scope. However, following the establishment of Beko Europe and its integration into our global management system, the coverage of ISO 45001 OHS Management System certification has decreased. Nevertheless, we have initiated a process to integrate the OHS Management System across all our factories.

In addition, BSCI audits are carried out by third parties for our plants globally, as well as our internal OHS audits and Koç Holding's audits in Türkiye. Weekly and monthly OHS field audits are also carried out by Line Managers in all manufacturing facilities and warehouses.

Our health measures cover both physical and mental health to ensure that we help reduce absenteeism and improve productivity. All employees in Türkiye benefit from supplementary health insurance as a side benefit. Additionally, if employees desire insurance with a higher payment limit, they can buy further private health insurance provided by KHEV (Koç Holding Pension and Assistance Fund Foundation). All employees in Türkiye have access to the online health platform Koç Healthcare, free of charge. Koç Healthcare is a medical counselling service organized by Koç Pension Foundation. Our employees can contact various physicians, specialists, psychologists, and dietitians through the platform. They also can create and store their medical archives on Koç Healthcare and access them 24/7 from anywhere. Managers and higher-level employees periodically receive check-ups in private hospitals free of charge. Our annual employee engagement survey assesses employee satisfaction and stress levels. Based on the feedback collected, engagement and communication initiatives are being implemented to support the physical and psychological well-being of our employees.

EMPLOYEE HEALTH AND SAFETY

Zero Accident Workplace

We leverage technology and digitalization to create the safest workplace and reach our zero occupational accident and occupational disease targets. In line with those targets, we assess our occupational health and safety (OHS) risks, conduct audits, and raise awareness through training programs, and initiate behavioral change.

Our Occupational Health and Safety Policy and OHS Workplace Code of Conduct guide all our OHS processes at all operation locations. We ensure that we fulfill all our obligations in accordance with both international commitments and collective bargaining agreements and go beyond rules and regulations.

We take actions in line with the Arçelik OHS Action Plan for increasing our overall performance on OHS issue. We embed OHS performance into the performance scorecards of the Chief Technology and Production Officer and the Chief People Officer, as well as relevant directors and all relevant employees.

Several types of OHS risk assessments are carried out in work areas to identify hazards and risks at all our manufacturing facilities every year. With the active participation of employees, workplace risks are reported via mobile applications and necessary precautions are taken. The working areas are monitored 24/7 through Artificial Intelligence Safety Systems which inform managers when a risk is detected, and machine equipment systems are automatically stopped in pilot areas. Health risk assessments are also prepared with the participation of occupational physicians. Ergonomic risk analysis is prepared, and appropriate equipment is researched so that employees can work more ergonomically.

The health status of our employees is monitored starting from the beginning of the working contract with periodic health checks. With the aim of preventing health problems, a healthy working environment is created by making regular environmental measurements.

Emergency Actions Plans are prepared for distinct types of emergencies and to minimize the loss (including loss of life, property, reputation etc.) during an emergency. Training is provided by Emergency Response Teams, and drills are organized regularly with the participation of our employees.

We emphasize employees' representation in OHS management and include our workforce in the decision-making processes. All our factories and warehouse employees are represented on OHS committees. Employees' representatives share their suggestions on these meetings behalf of employees, and they fulfill a critical role regarding employee engagement.

We follow and report our OHS performance through certain indicators in global operations for employees and subcontractors, including but not limited to total working hours, number of work-related fatalities, and Lost Time Injury Frequency Rate (LTIFR). The assurance for relevant OHS indicators is carried out by a third party.

↘ For further information regarding OHS data, please refer to Annex 10. Occupational Health and Safety Indicators and for the Assurance Report, please refer to Annex 3. Assurance Report.

Based on our OHS procedures, accident root cause investigations using different methods such as Fishbone, 5 WHY, and ABC Analysis are prepared by our trained experts on accident investigation. The way the accidents occur, the root causes and the actions needed to prevent their recurrence are shared with our Top Management and Manufacturing Facility Management Teams on a monthly basis. The root causes and preventative and corrective actions are evaluated with the relevant Management Teams and Occupational Safety Specialists at Directorate Meetings and OHS Committee Meetings. We have quantified internal targets on a yearly basis to reduce the LTIFR, the Lost Time Injury Severity Rate (LTISR) and to increase the employee near miss and potential hazard notification levels. The major projects for preventing the most common, and high consequence accidents in our plants and warehouses are the implementation of Digital Artificial Intelligence Machinery Safety Systems and Forklift Accident-Avoidance Systems. Additionally, we have organized Driving Safety Training for company vehicles and shuttle drivers, which helps to reduce one of the other possible accidents.

The contracts between the Company and Suppliers demand compliance with the OHS requirements of our Global Responsible Purchasing Policy. Contractor companies are also obliged to comply with the OHS requirements stated in Arçelik Health and Safety Policy, which is signed along with the contract. Suppliers and contractor companies are evaluated within our OHS Management System and necessary actions are taken according to the procedures.

EMPLOYEE HEALTH AND SAFETY

OHS TRAINING

We aim to initiate a behavioral change regarding the OHS within the company with the training and exercises we carry out. For this purpose, we have commissioned the Occupational Health and Safety Communication Management System to improve the OHS perspective and communication language with the help of videos and digital training. OHS training is organized regularly within the scope of legislation and vocational training. Employees receive periodic "Safety Talks" training.

In 2024, OHS training on regulatory requirements and technical matters were organized for employees at all our facilities. We included not only employees but also subcontractors and suppliers.

↘ For further information regarding OHS related training, please refer to the Annex 10. Social Performance Indicators section and the Sustainability Targets section of the Report.

HEALTH AND SAFETY ACTION PLAN

The main operations and projects on which Arçelik continued to work during 2024 to manage its OHS risks are given below.

Training Projects

- Digital OHS Onboarding Training Project
- Implementation of Digital OHS Training for Employees, Visitors, and Contractors
- Driving Safety Training
- Emergency Information Training and Drills
- Search and Rescue Team Field Training
- Process Safety Risk Assessments and Training

Audits and Performance Assessments

- Internal OHS Audits
- External OHS Management System Certification Audits
- Field Manager Safety Audits
- Contractor OHS Performance Assessment Projects
- AI-Supported OHS Field Audits
- Contractor processes are conducted via the Contractor Module of our software system.

Risk Assessment and Safety Projects

- Inspection, Control, and Maintenance Risk Assessment Projects
- Safe Maintenance Project
- Safe Operation of Industrial Transport Equipment Project
- Transport, Handling, and Driving Safety Initiatives
- Digital Labeling-Lockout Application Project
- Digital Chemical and Process Safety Project
- Employee Participation are achieved via Mobile Non-Conformity Reporting Module

Behavior-Based Safety and Change Management

- Behavior-Based Safety Projects
- OHS Change Management Initiatives

OHS RELATED AWARDS OR RECOGNITIONS

Arçelik Hitachi Home Appliances (Thailand) has earned the Provincial Level Occupational Safety, Health, and Environmental Conditions Excellence Certificate for 2024.

Beko Thailand has won the Bronze Level award in the Occupational Safety and Health Management Standards (T-OSH ZAC) audit conducted by the Thai Government.

Beko Romania received an award from GovNet Health & Safety for the successful integration of Occupational Health and Safety system into trainings. Through these trainings, a safer workplace is ensured through proactive learning.

Dawlance Pakistan has been awarded the Fire Safety Award from the Pakistan National Environment and Health Forum, and they have also received a second prize in the Occupational Health and Safety category from the Pakistan Employers Federation.

Çerkezköy Electronics Plant was awarded with its project titled "Safe Maneuvering in High Voltage" at MESS Turkish Employers Association of Metal Industries' Union's Stars of Occupational Safety Awards.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

R&D and Innovation

We drive innovation across all operations and our entire value chain by merging technological advancements with a commitment to sustainability. By staying attuned to fast-evolving global tech trends, we assess stakeholder risks, opportunities, requirements, and expectations. In response to evolving needs and behavioral shifts, we focus on emerging technologies–including artificial intelligence, data analytics, robotics, IoT, and automation–to deliver efficient, eco-conscious solutions that benefit both our customers and the environment.

We aim to bring the best and most efficient solutions to the industry through efforts for open innovation and collaborations. With over 2,700 researchers worldwide and 30 R&D and Design centers (15 in Türkiye and 15 in other countries), we conduct comprehensive R&D from concept to product creation. We conduct studies in the fields of sustainable and environmental technologies, energy and water consumption, noise and vibration reduction, sensor technologies, IoT, smart home technologies, polymers, metal and surface coating technologies, hygiene, water, and air filtration, air quality, and motor driving technologies. As of 2024, we hold more than 3,100 registered patents and carry out more than 700 projects globally.

Our total R&D expenditure in 2024 increased by 64.4% compared to 2023, reaching TRY 8,154,808*.

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

R&D Approach and Strategy

R&D VISION

Our vision is based on the agile development of new technologies and services for sustainable, smart, digitally secure, interoperable, and cost-effective home solutions.

R&D STRATEGIES

We develop solutions that focus on energy efficiency and management, autonomous products, pioneering technologies for sustainability, computer vision, and personalized experiences to create user-friendly and sustainable living environments.

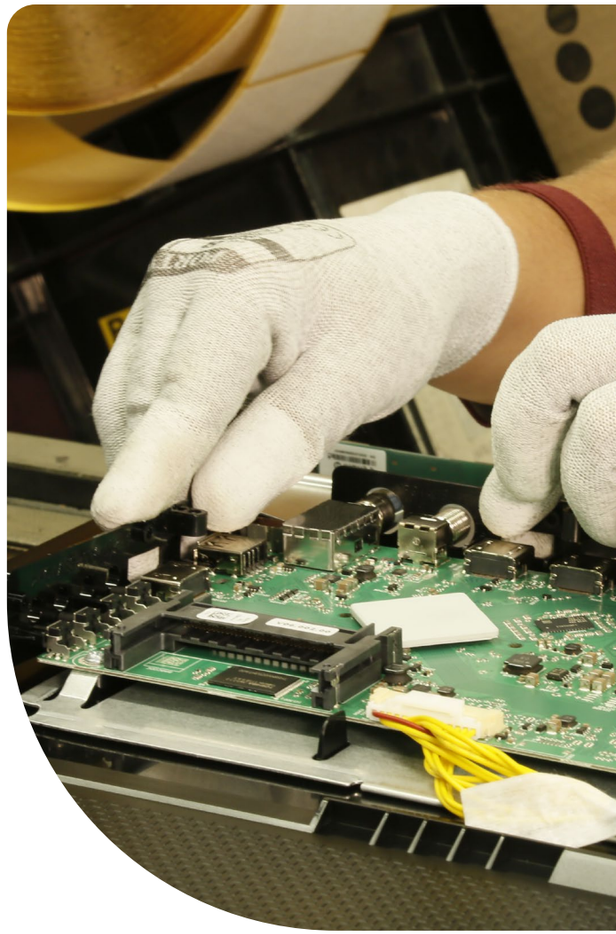
Through advancements in air filtration, indoor air quality, water filtration technologies, and food preservation, we enhance home living comfort while promoting well-being with personalized healthy cooking recommendations.

Additionally, we prioritize global collaboration, agile transformation, and talent management while standardizing and simplifying platforms and processes to drive efficiency and innovation. By integrating digitalization and smart technologies, we ensure seamless interoperability and future-ready solutions for modern living spaces.

Currently, there are no publicly available targets for R&D, Innovation, and Digital Transformation. However, internal targets are in place, and their effectiveness is tracked through the work of the entire organization.

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

↗ For further information regarding our R&D approach and strategy, please refer to our 2024 Annual Report.



R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Digital Transformation and Industry 4.0

We develop smart and connected product concepts by integrating Industry 4.0 technologies, which blend physical and digital innovations, into our production and service systems. To effectively address evolving customer demands, we optimize our operations through strong collaboration among internal stakeholders. By leveraging artificial intelligence in digital transformation, production, and quality management, we deliver service-focused business models and dynamically adjust to shifting consumer needs. Utilizing standardized management and automated routing tools on a unified IoT platform, we ensure the advancement of smart applications while implementing strategies that significantly reduce perceptual and critical quality issues.

DIGITAL TWIN

We developed a Digital Twin to enhance its efforts of digitalizing manufacturing processes. In its manufacturing digitization efforts, the Company collaborated with the Simulargе start-up to use the finite element method for modeling the thermoforming process, which produces the refrigerator's inner body. This process resulted in the creation of a digital twin. This digital twin estimates the products' quality with real-time sensor data from the production line and optimizes the process parameters to prevent potential quality errors with a closed-loop feedback algorithm. Implemented in the Eskişehir Refrigerator Facility 6 in 2021, the project was expanded to the thermoform line of the Refrigerator Plant in Manisa and to the Bitumen oven line of the Dishwasher Plant in Ankara in 2022, and in one more line in Eskişehir in 2023. In 2024, a 15% energy saving was achieved in the Bitumen oven line of the Dishwasher Plant in Ankara.

DIGITAL TRANSFORMATION

We design digital transformation studies and projects addressing at least one of the topics concerning customers, products and services, processes and systems, and people in light of agile principles. Data analytics, education, open innovation, and collaboration in digitalization are our key enablers during this agile/digital transformation journey.

With digital transformation projects, we achieved a saving of TRY 517.8 million in 2024, reaching a total of TRY 961.2 million saving since the projects' initiation in 2022.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Digital Transformation Projects' Progress in 2024

Project Name	Project Description & Outcomes
Robotic Process Automation (RPA)	The automation of business processes enables employees to focus on their talents and creativity. This project supports our digitalization journey, enhances employee satisfaction, improves process quality, and eliminates risks. In 2024, RPA CoE generated EUR 2,077,040 in cost savings and freed up 37 full time employee (FTE) hours for reinvestment in market growth, customer relations, and other value-added activities. Moreover, in 2024, the RPA Citizen Developer Program trained 66 employees, with 48 beginning to develop their own processes, while 33 employees are currently in training. These efforts resulted in 40 new processes, achieving EUR 616,000 in cost savings and a gain of 11 FTE.
Connecta	This project aims to digitize daily office tasks for a better, leaner employee experience, promoting a fully digital, paperless office and fostering digital literacy among all employees globally. This enables them to focus on value-added activities. In 2024, we launched 8 applications across 9 countries worldwide, such as Purchase Order Management, Leave Request Management, My Info Management, and Invoice Management applications. Additionally, we launched the Travel Management application globally during the same year. These initiatives resulted in significant accomplishments, including cost savings of TRY 57M and the equivalent of 27 FTE positions. Currently, there are 30K active users on Connecta across Türkiye, the EU, the US, South Africa, and the Asia Pacific regions.
Global R&D Project Management	We established an organizational structure to execute current and future projects, forming tribes and squads aligned with product groups and strategic priorities under our agile R&D strategies. Guided by the motto "ALive Team - Agile Today, Excited for the Future," this transformation involved over 1475 R&D employees working in 16 tribes, 88 chapters, and 110 squads. The Global Project Management Roll-out was initially implemented in five countries: Pakistan, South Africa, Thailand, Russia, and Romania. In 2024, projects and resources were registered in Jira following 70 hours of role-based training. Employees began using Jira as their daily tool to support their agile work practices effectively. As of today, with the implementation of this new project management framework, we are managing 234 projects with the participation of 250 employees across these five countries. The Jira system now serves as the single, unified tool for all project management activities.
Electronic Design Engineering Platform	We expanded DevOps to the Engineering Platform, centralizing all work requests for the electronics group to improve traceability. By tracking hardware (HW) and software (SW) R&D activities, we created a valuable big data resource and completed the "HW&SW life cycle" for R&D departments, with ongoing dissemination. The platform enhances electronics work data, including sub-modules, modules, project relations, and checklists, addressing security, corporate solutions, traceability, and reusability. In 2024, it saved TRY 105 million through in-house system development and maintenance, along with reduced developer hours. The Centralized Log Server Application (RD-Watchtower) was implemented to expand the ecosystem. The project began with the RVC (Robot Vacuum Cleaner) project in 2024 and will extend to Linux Products (CamOven, CamFridge) and MCU Connected Products in 2025. The RVC team, with 17 engineers, recorded 124 crash incidents, 2,590 critical errors, and 10.2 million non-critical errors in 2024. The error management system handles 10.2 million errors annually, 99.97% of which are non-critical. With improved tooling and automation, the system saves 288,243 hours annually, equating to EUR 2.96 million in savings, or EUR 174,128 per engineer, while managing 40,806 daily issues.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Digital Transformation Projects' Progress in 2024

Project Name	Project Description & Outcomes
Mechanical System Design Academy	The project's aim is to increase the employees' competencies in the Mechanical System Design units of R&Ds by determining training needs, creating new trainings, and carrying them out. In 2024, the training program continued to elevate the competencies of employees in the Mechanical System Design units of R&D Departments. So far, 21 classes have been conducted, with 150 employees taking part in these enriching sessions.
Complexity Management	This project introduced a modular design approach, enabling individual modules to be re-developed or upgraded for unique customer needs. This reduced product development time for key objectives and achieved cost savings by increasing the common part usage ratio. In 2024, we saved TRY 235 million with this project in all manufacturing facilities.
SPC (Standard Part and Component Project)	We developed a digital library of approved 3D and 2D data integrated into NX and Teamcenter (TC), creating a sustainable library system aligned with Modular Design and Complexity Management. The component tree structure was updated, adding commonly used components. This globally used system reduced screw variety by around 51% in Türkiye manufacturing facilities. Online availability enhances accessibility, ensures up-to-date data with NX and TC integration, and shortens design time.
Datafarm-Smartfix	This project aims to detect and resolve WIFI-connected refrigerator issues before customers notice them. The Datafarm machine learning model generates health reports from refrigerator data and suggests spare parts via an API, enabling technicians to address issues during service visits proactively. To achieve this, a refrigerator farm was built to simulate errors and collect data, which was used to develop and refine machine learning models. After validating performance with real customer products, Datafarm was deployed to the Customer Care department as Smart Fix. In 2024, Smart Fix prediction algorithm was expanded to all combi-type refrigerators. In addition to the Turkish market, the accuracy of the algorithm was also verified in target countries within the European market. The success rate in the field is being monitored. The project will be launched in 2025.
Home Energy Management Systems	With this project, we aim to minimize energy costs, increase environmental sustainability, and raise social awareness about energy consumption. In this project, devices such as Dishwashers, Refrigerators, Washing Machines, Ovens, and Tumble Dryers were used to monitor energy and water consumption they make via HomeWhiz. In 2024, significant advancements were achieved as follows: The gamification feature was successfully integrated into HomeWhiz, encouraging eco-friendly practices through interactive engagement. Customers who save energy and water in alignment with sustainable habits are now rewarded as: • Discount vouchers for Arçelik stores, Special offers on P&G detergents and so on. Heat pumps, vital for home heating and cooling, were further advanced by integrating with solar panels, inverter technology, and other renewable energy solutions. • The AI-based HEMS system was finalized, ensuring seamless coordination between household appliances, dynamic electricity tariffs, and renewable energy sources like solar panels. This system optimizes energy and water management at the highest level, empowering homeowners to achieve maximum efficiency and cost savings. • Through these advancements, we have elevated sustainability, user engagement, and energy optimization to new heights. These efforts reinforce our commitment to creating smarter, greener homes and contributing to a sustainable future on a global scale.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Digital Transformation Projects' Progress in 2024

Project Name	Project Description & Outcomes
CTP (Computer-Aided Design (CAD), Computer-Aided Engineering (CAE), Tools, and Process) – Design Academy	The Design Academy was established to enhance the competencies of engineers and technicians in the Company's Structural Design departments. For eight years, it has offered CAD and CAE training based on needs analysis within the CTP framework. In 2024, 14000 person*hours of training were delivered to over 350 participants in Türkiye and approximately 500 person*hours to participants in other countries. The process is managed together with internal trainers and external trainers. In this context, the potential is continued by determining new partners and new trainers according to the Company's needs. Instructors are eliminated with selection according to the training processes we call 9S. The education quality index is regularly monitored via dashboards and quarterly interviews are held with instructors. Training contents are recreated according to company needs, and if the pilot receives a passing grade from the training, it continues. Minor changes are made throughout the year according to needs.
CTP Program	The CTP Program aims to develop 3D design tools, improve design processes, and enhance the Company's global design capabilities. Working with CPOs, the CTP team leads designer training, process development, and integration projects across all manufacturing facilities, focusing on CAD and CAE implementation and global CAD assessment programs. Between 2017 and 2024, the CAD certification rate rose from 25% to 83%. Our designer, who has a star certificate from 2017 to 2024: increased from 4% to 78%. and Designer Competency System scores improved from 138 to 146 in 2024 compared to 2023, reflecting increased designer competence.
CIP (Complexity Improvement Project)	The CIP project resulted from the collaboration between the Modularity 2.0 team and Standard Part and Component projects, focusing on component-based collaboration to reduce complexity and create a permanent, usable library. NX and TC integration will be implemented, components added to the SPK system, and regular monitoring will be conducted. In 2024, stock sharing was done among the businesses. It was determined that there were no components suitable for sharing between the businesses technically. The SPK library infrastructure was reviewed, and its suitability was confirmed. No external resources were taken in order to avoid costs. The reduced stocks will be gradually removed from the library.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

ADVANCED MANUFACTURING TECHNOLOGIES AND INDUSTRY 4.0

We focus on digital transformation within our production processes, aiming to develop our own manufacturing technologies and capabilities. In 2024, efforts continued to make factories "smart," enhance automation levels, and establish production systems capable of responding to changes much faster through real-time horizontal and vertical integration of all processes.

The Production Technologies team, which also serves as an R&D center, collaborates with universities, research institutions, and startups in Türkiye and other countries to explore new technologies, create value-generating use cases, and scale these innovations across factories.

As a result of these initiatives, our factories continue to rank among the world's leading Industry 4.0 production facilities, showcasing exemplary implementations of artificial intelligence, machine learning, robotics, and sensor technologies.

WEF Global Lighthouse Network

In 2024, the World Economic Forum (WEF) has recognized our Ankara Dishwasher Plant in Türkiye for its leadership in using advanced technology to improve production and innovation, highlighting global best practices in Industry 4.0.

With our Washing Machine Plant in Ulmi, Romania, and the Refrigerator Plant in Eskişehir, Türkiye, the Ankara Dishwasher Plant is our third lighthouse. The Ankara Dishwasher Plant has achieved significant gains by optimizing its production processes through Industry 4.0 applications. By leveraging smart control systems, AI-powered predictive models, advanced automation systems, and a fully integrated end-to-end digital production platform, the plant has reduced costs, enhanced energy efficiency, and improved product quality. Thanks to these efforts, a 26.1% reduction in transformation costs has been achieved.

KEY FEATURES OF THE ANKARA DISHWASHER PLANT

- Size: Spanning 110,000 square meters, it's a state-of-the-art facility.
- Automation: Utilizes 171 robots to automate 90% of dishwasher inner body manufacturing.
- Data Collection: Gathers 5.2 terabytes of data daily, driving smart decision-making.
- Advanced Technologies: Incorporates artificial intelligence, machine learning, and IoT for seamless operations.
- Sustainability: Achieved a 23% reduction in carbon emissions and benefits from a 1.22 MW_p solar panel system, lowering energy costs.

RECOGNIZED TECHNOLOGIES AT THE ANKARA DISHWASHER PLANT

- Smart Metal Forming: Reduces material waste by 78.5% and energy consumption by 60% using AI.
- Smart Plastic injection: Lowers cycle time by 18% and material costs by 5.5% through AI error prevention.
- Advanced Dishwashing Program Design: Optimizes product development time by 50% with AI and genetic algorithms.
- Automated Material Distribution System:
- Uses autonomous vehicles and AI for a total cost reduction of €1.5 million.
- Smart Sheet Joining Application: Cuts Joining errors by 66%, saving € 180,000 annually with AI quality predictions.
- Employee Skill Development: 65% of employees working in the 4IR domain have upgraded their skills through on-the-job training, technical academies, university collaborations, and online platforms like Udemy and Coursera.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Advanced Manufacturing Technologies and Industry 4.0 Projects' Progress in 2024

PRODUCTION MANAGEMENT

Data generated during production is analyzed, and new production systems capable of self-improvement are designed while ensuring high-quality, efficient, and flexible manufacturing. The focus is on developing the IT infrastructure necessary to facilitate these transformations. The projects implemented in 2024 within this scope are outlined below:

Project	Project Description & Outcomes
Platform Equipped with a Data Analysis and LLM-Supported Analysis Assistant	A platform equipped with a data analysis and LLM-supported analysis assistant has been launched, systematically improving data processing by automatically collecting operational KPIs through the integration of different systems. This enables data-driven analysis, supports proactive decision-making, allows early intervention in potential issues, and accelerates data-driven decision-making processes.
2024 Automation & Integration Year Program – Workforce Efficiency Goals	As part of the "2024 Automation & Integration Year Program," goals have been established across all operations to improve workforce efficiency. In monthly review meetings, project leaders presented completed and scalable sample projects to all participants. By October 2024, the program had achieved a 5% increase in production efficiency.
Real-Time Failure Risk Assessment with Sensors	Sensors attached to production equipment assess failure risks in real time, reducing downtime and improving efficiency. The project aims to increase the Mean Time Between Failures (MTBF) and decrease machine downtime due to failures by 75%.
SAP Warehouse Management (SAP-WM) Implementation	To enhance flexibility in warehouse management, automate semi-finished product and raw material movement, and ensure ease and standardization in managing complex inventories, the SAP Warehouse Management (SAP-WM) module has been implemented in the Ankara BMI, Defy Ezakheni, and Defy Jacops facilities.
Robotic Process Automation (RPA) for Process Digitization	Since 2019, RPA initiatives have driven process digitization and efficiency improvements. A total of 171 critical processes have been automated using RPA technology, resulting in a workforce gain equivalent to 128 digital employees and significantly enhancing operational efficiency.
Digitalization in Production Project – Expansion Across Türkiye	In 2024, the Digitalization in Production Project was extended to all production sites in Türkiye, targeting a 5% improvement in time efficiency. By December 2024, 18 processes were automated via RPA, and 96 processes were completed through process automation, leading to a workforce efficiency equivalent to 47 full-time employees–27 through RPA and 20 through process automation. The DigiCrew program further empowers employees to develop their own robotic process automation solutions, fostering Citizen Developers.
AI-Powered Forecasting for Transformation Costs and Operational KPIs	With an AI-powered forecasting system, real-time transformation cost analysis enables data-driven decision-making. In the first month, forecasts deviated by 3%, while the six-month average deviation was 5%. The project is expected to deliver an annual transformation cost saving of 0.3-0.5%. Real-time cost management will create new efficiency opportunities, and AI-supported algorithms will provide faster and more accurate insights compared to manual calculations.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Smart Solutions for Products & Services

We ensure that innovative experiences and knowledge are shared through collaborations and smart solutions are improved to contribute to social and economic development in line with the changing needs of society. As our world becomes more interconnected and digitalized, we aim to reach futuristic minds while generating ideas to simplify life for our customers and stakeholders. We simultaneously adopt open innovation and encourage internal entrepreneurship as part of our corporate culture while collaborating with stakeholders such as start-ups, universities, suppliers, and companies from different sectors. Our sustainability vision is at the core of our smart solutions initiatives.

↘ For further information regarding smart solutions for products and services, please refer to the Product Stewardship section of the Report.

European Commission Framework Programs

The Horizon Europe Framework Programme, with its EUR 95.5 billion budget for research and innovation, and the Digital Europe Programme, focused on advancing digital transformation, together create a robust platform for global collaboration. These initiatives aim to combat climate change and support the UN's Sustainable Development Goals (SDGs) by funding green and digital projects. Horizon Europe drives the Company to strengthen capabilities in critical areas such as IoT integration, connected products, AI-driven solutions, energy efficiency, circular economy practices, advanced material technologies, and data-driven manufacturing systems. Complementing this, the Digital Europe Programme prioritizes scalable digital infrastructure, including cybersecurity, 5G deployment, edge/cloud computing, data analytics, and automation technologies.

By aligning with both programs, the Company can leverage funding and expertise to develop innovative solutions–from smart home energy management and demand-side flexibility to robotics and sustainable technologies. Together, these EU initiatives enable proactive adaptation to evolving market needs while addressing perceptual and systemic quality challenges through standardized digital tools, IoT platforms, and AI-enhanced production systems. This dual focus fosters a holistic approach to sustainability, digital readiness, and competitive resilience across global value chains.

We are proud to be recognized as a company with the most projects present in the Horizon Europe program in our sector. In 2024, 12 projects were accepted, 5 of which are part of EIT Manufacturing to be executed within R&D centers located in Italy and Poland. This achievement demonstrates our commitment to promoting sustainable practices and driving innovation in our industry. We are excited to continue our participation in Horizon Europe and contribute to its goals of promoting research and innovation for a sustainable future. Our involvement in these projects has provided EUR 6.6 million funds and expanded our network with more than 400 partnerships in these consortiums.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Ongoing Horizon Europe and Digital Europe Projects' Progress in 2024

Project Name	European Commission Framework Program	Project Description & Details
ECOFACT	Horizon 2020	The project aims to enable production systems to optimize energy performance and at the same time develop a green marketing approach by examining the energy and environmental impact of the manufactured product. Within the project's scope, the Company continues to work on the integration of suppliers' data in LCA/LCCA analyses to support production planning, eco product design, smart energy and environmental data monitoring, and digital twin integration for smart forecasting to reduce base loads
Auto-DAN	Horizon 2020	The project aims to optimize energy consumption in buildings and evaluate live energy performance. Within the project's scope, The Company continues to work on smart hardware integration, communication protocols for the interoperability of products and the decision-making system, and the design of smart white goods to be connected to the energy gate of the common system.
StorAIge	Horizon 2020	The project aims to offer ultra-low power and high security System on Chip (SoC) solutions that provide competitive artificial intelligence (AI) for Edge applications. Within the project's scope, the Company is actively engaged in refining and optimizing the washing control algorithm requirements and specifications for the washing machine, where the AI-enabled applications will be implemented.
ENOUGH	Horizon Europe	Within the project's scope, which studies technologies, tools and methods that will contribute to the entire food value chain from farms to tables in order to achieve climate neutral enterprises, the Company continues to design new generation household refrigerators with improved cooling performance with the transition to the EU new energy label and consumer behavior data.
ZDZW	Horizon Europe	The project aims to work on the development of a new thermal vision system and simulation tool that can automatically measure and calculate the quality-related features of the semifinished products and control final products during production processes. The Company continues its demo activities in the thermoforming lines in f the refrigerator's inner body production.

Project Name	European Commission Framework Program	Project Description & Details
VITAL	Horizon Europe	The project aims to generate fundamental knowledge and expertise that will aid manufacturers in substituting synthetic thermoplastics with those derived from bio-based sources. For this purpose, bio-based alternatives for cleaner and climate-neutral industrial value chains in Europe's polymer processing sector are aimed. As part of the project, we continue our efforts to increase the content of bio-based materials used in the Eva Cover Refrigerator and crispers.
OPeraTIC	Horizon Europe	The project aims to apply Ultrashort Pulsed Laser with an efficient production platform. Within the project's scope, we continue to work on providing antibacterial properties with ultrashort pulsed laser applications in plastic molds of the dishwasher basket and provide energy savings in the drying step.
FreeMe	Horizon Europe	The project focuses on a non-toxic metallization process for plastic surfaces. As part of the project's scope, we continue our efforts to produce chrome-plated decor pieces for washing machines with sustainable solutions.
PRecycling	Horizon Europe	The project focuses on zero plastic waste through recycling and reuse of waste plastics in products. Within the project's scope, we reuse the waste plastics obtained from the refrigerators, washing machines, and ovens in Eskişehir and Bolu WEEE (Waste Electrical and Electronic Equipment) recycling plants in white goods through separation and recycling processes.
RELIANCE	Horizon Europe	The project aims to develop a self-disinfecting bio-based nano-coating for hygienic surfaces. Studies continue to give anti-microbial properties to refrigerator glasses and metal surfaces with the sol-gel technology's spray application without using organic solvents.
REEFLEX	Horizon Europe	The project aims to provide a centralized interoperability platform with Demand Response (DR) flexibility for energy efficiency in buildings fed by different end-user profiles and needs. Within the project's scope, the Company aims to develop white goods compatible with DR technology connected to the project platform to enable customers to manage their appliances from a common platform and indirectly help balance the load on the grid.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Ongoing Horizon Europe and Digital Europe Projects' Progress in 2024

Project Name	European Commission Framework Program	Project Description & Details
FlexCHESS	Horizon Europe	The project aims to put systems bringing various energy storage systems together, making them easily accessible to a wide range of users through a user-friendly interface. Within the project's scope, the Company aims to ensure the integration and control of energy consuming devices into the system with CHESS-Plugs.
BRIGHTER	Horizon Europe	The project aims to develop next-generation fast thermal microbolometers and multispectral microbolometers that will enable faster and more detailed imaging beyond current technology. Within the project's scope, the Company aims to conduct the application and comparative analyses of electronic card faults in continuous production processes through thermal controls.
REBECCA	Horizon Europe	The project aims to design a reconfigurable AI hardware-supported innovative multicore processor and enhance intermediate layers to execute Edge-AI applications in different fields. Within the project's scope, the Company aims to integrate the developed processor into their electronic boards to enhance machine learning algorithms in camera-equipped refrigerators and perform image analysis on cloud-independent products.
VERGE	Horizon Europe	Using 5G, artificial intelligence in design, and extended reality technologies, the project addresses concurrent product reviews, collaborative product design, and virtual product prototyping. Within the project's scope, the Company aims to facilitate collaborative design among designers in different locations through developed technologies, considering the end-users' role.
DEDALUS	Horizon Europe	The project focuses on developing smart climate control solutions compatible with demand response to balance demand in electrical grids within smart building management systems, including smart air conditioners, gateways, and smart plugs.
R-Podid	Horizon Europe	With this project, AI-based fault detection models will be developed to enable the early detection of motor faults that may occur in television production lines, focusing on reducing energy consumption.
LoLiPoP IoT	Horizon Europe	The project aims to integrate a new sensor data infrastructure and energy optimization algorithms in ovens, painting process, and powder coating to implement an Industry 4.0-compliant digital monitoring and control system.
EECONE	Horizon Europe	The project aims to focus on compressor electronic components to establish critical raw material traceability and database creation, and to develop recycling techniques for these materials.
ACCOMPLISH	Horizon Europe	The project aims to enhance the health and efficiency of the workforce in the Cassinetta refrigerator production facility through robotics and ergonomic improvements. It also focuses on promoting the sustainability of employment for people with disabilities.
AID4SME	Horizon Europe	The project leverages artificial intelligence and image processing technologies in refrigerator production processes to minimize polyurethane waste and enhance efficiency through automation in various processes.
BIOSAFIRE	Horizon Europe	The project focuses on developing bio-based, high-performance, and safe flame retardants inspired by nature, using lignin and tannin for industries such as maritime, railways, home appliances, and wood coatings.
ENCIRCLE	Horizon Europe	The project aims to enable the eco-design and digital tracking of products throughout their lifecycle using a digital product passport. It also focuses on predictive maintenance and repair solutions to extend product life and optimize reuse.
RENEE	Horizon Europe	The project aims to design flexible remanufacturing processes for circular value chains in European industries using artificial intelligence and advanced robotics. It focuses on human-centered systems to support the remanufacturing of used products.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Ongoing Horizon Europe and Digital Europe Projects' Progress in 2024

Project Name	European Commission Framework Program	Project Description & Details
REUMAN	Horizon Europe	The project supports a human-centered, digitally enhanced transformation in Europe's remanufacturing industry. It aims to improve traceability, optimize remanufacturing processes, and enhance workforce integration in the automotive, home appliances, and optoelectronics sectors.
STUNNED	Horizon Europe	The project aims to reduce overall energy demand, integrate renewable sources into energy management systems, and enhance grid stability. The Company contributes by enabling dishwashers and washing machines to offer flexible energy consumption options and ensuring interoperability with the project's energy management tool via HomeWhiz (cloud-to-cloud) data exchange.
CIRPASS-2	Digital Europe	The project aims to develop the first pilot applications in Türkiye for the creation of a digital product passport (DPP) for products and ensuring the traceability of products throughout the entire value chain. Within the scope of the project, the aim is to increase efficiency during the repair phase through the DPP application in cordless vacuum cleaner products.
CYBERSEC4OT	Digital Europe	The project aims to design training content for operational technologies related to Industry 4.0 technologies and production, provide training for employees, and demonstrate improvement in cybersecurity issues through on-site workshops as a result of this training.
IS2H4C	Horizon Europe	The project aims to reduce industrial carbon emissions and foster circular production through the integration of carbon capture and green hydrogen technologies in collaboration with Tüpraş in the İzmir-Manisa region, focusing on hydrogen and polymer research. Captured CO_2 from refinery emissions will be converted into low-carbon, non-isocyanate polyurethane (NIPU) for potential use in refrigerator manufacturing. Our company contributes by supporting research activities and evaluating the feasibility of NIPU as a sustainable alternative to conventional materials in its production processes.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Data Privacy and Cybersecurity

DATA PRIVACY

We are committed to protecting the privacy of all our stakeholders, and processing personal data in compliance with all applicable data protection laws in line with our Global Data Privacy Policy. We continuously assess and improve our Data Privacy Policy to ensure we maintain the highest standards of personal data protection. The relevant parties are informed about how the personal data is processed, for what purpose it is used, for how long it is kept, and in which cases it can be shared with third parties. Our company processes personal data lawfully, fairly, and for specified, explicit, and legitimate business purposes with an appropriate justification (on a legal basis) under applicable data protection laws.

Data Privacy Related Indicators	2024
Total number of personal data breaches	0
Total number of individuals affected by the breaches	0
Total number of customer data breaches	0
Total number of clients, customers, and the Company's employees affected by the breaches*	0
Total number of substantiated complaints received from outside parties and substantiated by the organization concerning breaches of customer privacy	0
Total number of substantiated complaints from regulatory bodies concerning breaches of customer privacy	0
Total number of identified leaks, thefts, or losses of customer data	0
Total number of information security breaches**	0

* The total number of clients, customers, and the Company's employees affected by the breaches is defined as these people who were affected by data breaches, which includes all those whose personal data was compromised in a data breach (accounts that the entity cannot verify as belonging to the same client, customer or employee shall be disclosed separately).
**Information security breaches are defined as unauthorized access to computer data, applications, networks, devices, protected systems, and data. Cybercriminals or malicious applications bypass security mechanisms to reach restricted areas.

Our Global Compliance department conducts periodic reviews and audits to ensure that all personal data processing activities are processed in accordance with the applicable data protection laws. In 2024, there were no legal complaints from our stakeholders and no detected cases of personal data and information security breaches.

We comply with worldwide data protection and privacy laws and regulations. We systematically monitor and document valid complaints and personal data requests from third parties through our internal process. In identifying a potential breach of personal data, our specialized team consisting of experts in the areas of privacy, cybersecurity, legal, and communications departments takes immediate and effective action. We offer our stakeholders secure and confidential channels for reporting any concerns regarding data privacy breaches, ensuring that grievances are handled with respect for their privacy rights and that the reporting mechanisms allow for anonymity where appropriate.

We are deeply committed to cybersecurity and take measures accordingly to manage risks and ensure data privacy. These include training for our employees worldwide to raise awareness about data privacy and information security. In order to protect the fundamental rights and freedoms of individuals within the Company, third-party and internal audits are conducted specifically in high-risk areas/units.

↘ For further information on our stakeholders, please refer to the Stakeholder Engagement section of the Report.

DATA SECURITY & CYBERSECURITY

Protecting personal data worldwide has become crucial due to the competitive market and economic fluctuations. We recognize our responsibility to secure and protect all related information and data. Our aim is to minimize the risk of infringement of our trade secrets, intellectual property, and patents. We take precautions, implement strategies, and organize measures at all levels to achieve this goal. We manage our information technologies and operational processes to effectively minimize cyber risks and prevent any potential loss of reputation, revenue, market share, and brand value that may arise from information security risks. We carry out projects with the utmost care, keeping information security in mind. Our approach ensures that we stay ahead of potential threats and provide a secure environment for our stakeholders. We carry out our information security processes in accordance with the ISO 27001 Information Security Management Certificate which covers supply chain, information technologies, human resources, finance related operations.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Governance and Organizational Structure

The Information Security Committee led by the Chief Strategy & Digital Officer is responsible for building an effective information security management structure. The Chief Strategy & Digital Officer is responsible for overseeing information security issues in the Company and is the equivalent of a Chief Technology Officer.

As of 2020, Koç Holding's Consumer Durables' President, one of the members of the BoD, was appointed as the Board Member responsible of overseeing the Company's cybersecurity and information security strategy, given his experience in this area and his active involvement in the Information Security Committee. Cybersecurity Risks are closely monitored by the Early Detection of Risk Committee.

ORGANIZATIONAL STRUCTURE

CHIEF STRATEGY & DIGITAL OFFICER

Information Technology Executive Director

- Technology Infrastructure & Cybersecurity
- IT Digital Management Systems
- IT Solutions
- IT Products & Services Development
- IT Governance
- Digital Employee Products
- Data & AI

Information Security and Cybersecurity

The main activities of our security management system include inspection, risk identification, regulation of action and corrective actions, follow-up of findings, determination of targets and opportunities, follow-up of violations, and updating of relevant legislation documents. Our security measures comply with cybersecurity frameworks such as the US National Institute of Standards and Technology (NIST) The Center for Internet Security (CIS), the Control Objectives for Information and Related Technologies (COBIT), and The Information Technology Infrastructure Library (ITIL).

The Cybersecurity department operating under the umbrella of Information Technologies carries out governance, strategy, processes, and resources to identify and prevent information security threats and cyberattacks. Vulnerability Scanning and periodical penetration tests are conducted to analyze and improve vulnerabilities related to assets with our risk control strategies and projects aiming to reduce cyber risks. We additionally carry out penetration testing to detect vulnerabilities and improve security.

Additionally, we share guides, provide periodic information security training, and regularly conduct phishing tests to different employees at different times with different contents to increase security awareness among our employees. Global Cybersecurity Insurance Policy provides coverage for cyber and business interruption risks, minimizing our company's exposure to potential risks related to personal data usage.

Incident, Vulnerability or Suspicious Activities' Reporting

Employees have direct access to information on reporting information security incidents through the company's internal portal. The portal provides clear guidelines on identifying, categorizing, prioritizing, and escalating incidents, vulnerabilities, or suspicious activities. Additionally, the organization has a structured process in place for managing information security incidents, ensuring they are effectively reported, assessed, and addressed in a timely manner.

Information security-related business continuity plans

As part of the Annual Business Plan, the Disaster Recovery Plan, including a Failover Test, is conducted at least once a year. The Incident Response Team Leader is responsible for regularly reviewing and updating plans and procedures based on testing outcomes, incident response insights, industry developments, and best practices. This includes ensuring that plans and procedures are reviewed, updated, and tested at least annually to enhance the organization's resilience against information security incidents.

R&D, INNOVATION, AND DIGITAL TRANSFORMATION

Information Security Vulnerability Testing

Our Vulnerability Management Process mandates periodic vulnerability scans to be conducted at least once a month, with web vulnerability scans performed monthly for critical applications and at least once every two months for other applications. Additionally, Koç Holding conducts regular third-party vulnerability analyses for its companies in accordance with its procedures. The Vulnerability Disclosure Procedure (VDP) provides guidelines for cybersecurity research aimed at enhancing the security of our networked products, applications, and cloud services. It also outlines the process for researchers to report discovered vulnerabilities to the relevant team.

Internal Audits of the information security management systems

Information security ensures the confidentiality, integrity, and availability of the company's information assets. Each year, an ISO 27001 internal audit is conducted to evaluate the effectiveness of our Information Security Management System (ISMS), identify risks and security vulnerabilities, uncover opportunities for improvement, and evaluate the continuous improvement process.

IOT CYBERSECURITY

One of the important issues for our sector is the cybersecurity of Internet of Things (IoT) products.

We are managing product security with three different virtual teams as Red, Blue, and Purple Teams within the Cybersecurity Technology Team. The Red Team handles offensive security and identifies vulnerabilities across edge, mobile, and cloud domains. The Blue Team addresses these vulnerabilities and ensures compliance with IoT standards. The Purple Team bridges the two, managing the Secure Software Development Life Cycle and aligning with national and international security standards.

We regularly perform vulnerability analyses with our Red Team and Test and Verification Teams to ensure product security. To meet upcoming EU regulations, we obtained ETSI EN303 645 certification for connected product groups from VDE and received SafeShark Laboratories' approval for the UK's Product Security Telecommunications Infrastructure Bill.

In 2024, we have prepared our products for the new RED 2022/30 DA (Radio Equipment Directive Delegated Act) cybersecurity requirements. In addition to ETSI EN303645 compatibility, we have updated our connected products' cyber security infrastructure with EN18031. We created partnerships with Notified Bodies to test and approve our products to be 100% compliant in 2025.

The Company's several products hold cybersecurity certifications, including Common Criteria EAL2 and Virtual Domain Environment approval for the HomeWhiz mobile application. The connected Beko refrigerator also achieved IASME IoT Security Assured Scheme silver-level certification. Additionally, we actively participate in a national cybersecurity working group under Türkiye's Presidency of Defense Industries, contributing to the standardization of IoT cybersecurity certification for the Turkish market. Recognized for our robust cybersecurity infrastructure, the Company's work has been proposed as a featured use case on IASME's website, underscoring our commitment to secure, innovative solutions.

↗ For further information, please refer to our Information Security Policy, Global Data Privacy Policy, and Global Protecting and Retaining Information Policy.

PRODUCT QUALITY AND SAFETY

We strive to provide high-quality products and services regarding customer needs based on our policies. Our priority is to ensure consumer safety and quality assurance throughout the life cycle of our products.

Our Quality Policy, Product Safety Policy and theirs supporting guidelines ensure that products are manufactured, distributed, provided after-sales service when needed aligning with applicable product-related directives, regulations, standards and enabling the right to health and safety for consumers and customers. Additionally, our Human Rights Policy, which is part of the Global Code of Conduct and Related Policies, includes customers and consumers and complies with the UN Guiding Principles on Business and Human Rights.

We gather consumers and customer insights through surveys, initiatives and our corporate and brand websites, as well as social media channels for actively listening to their feedback on matters related to all topics including product quality and safety concerns.

↘ For further information, please refer to the Customer Feedback Management and Satisfaction and Communication Activities section of the Report.

Product Quality and Quality Management

We have a structured quality management mechanism across all processes: from product development, design, and manufacturing to sales and after-sales services. The Company's headquarters and its manufacturing plants have obtained ISO 9001 Quality Management System Certification to maintain a high level of product quality and ensure the effective management of each division.

Q-STAR audits have been configured to measure the maturity level of the quality management process and identify priority improvement areas, creating a traceable method for continuous improvement. These audits have been carried out at all divisions of the Company beside ISO 9001 internal audits since 2020. The results of these audits are presented to related Executive Management.

PRODUCT QUALITY

Our quality management processes in accordance with the Company vision, strategies and policies have been carried out in a holistic manner to satisfy continuity and improvement for the highest-level product quality. Quality improvements for each manufacturing facilities and related suppliers have been coordinated end-to-end including product quality, perceived quality, electronics quality and logistics quality aspects within the alignment of Central Product Quality Directorate and related manufacturing facilities' Quality Assurance Departments.

We implement a comprehensive quality assurance framework to prevent and address defective products before they reach customers, minimizing the risk of product recalls. Improving the quality aspects of our products abroad, regarding not only the product quality itself but also the production process quality and supplier quality, across our global operations, promoting best practices for quality and creating synergy have been the major assets on our global roadmap. Our approach integrates advanced quality planning, supplier quality management, in-process controls, and data-driven monitoring across all stages of the product lifecycle. Quality Reviews have been defined within each gate of the New Product Introduction (NPI) processes to review the quality aspects of our new products from the R&D and product development stages. There are internal test and approval stages of products that should be satisfied before the introduction of a new product Design and Process Failure Mode and Effects Analysis (FMEA) activities are the important steps to verify the quality of such new products. From the perspective of focusing on the inputs, supplier quality audits and Incoming Quality Control (IQC) evaluations have been performed. Critical-to-Quality and Critical-to-Process check points are defined on the production lines in accordance with the First Line Capability (FLC) data from the line and Service Call Rate (SCR) data from the field. Beside the continuous tracking of service field data, actual defect evaluations with the contribution of on-site field quality investigations have also been important to address and take action on the defects in the field.

We are also implementing measures such as Lean Six Sigma, Lean Manufacturing, Total Quality Management and Advanced Data Analytics on an ongoing basis to effectively execute and maintain our quality management system.

↘ For further information on other management system certifications and which location obtained certificates, please refer to Annex 14. Management Systems.

PRODUCT QUALITY AND SAFETY

PRODUCT QUALITY

Program	Target Audience	2024	
		Number of participations	Total Training hours (person*hours)
6 Sigma	The capability to independently resolve quality and process issues at any time using data-driven analytical methods for both monthly and hourly paid employees.	398	31,840
Advance Data Analytics	Enhance productivity through daily reporting and workflow improvements by leveraging advanced data analytics tools for all monthly paid employees.	110	770
Failure Mode and Effects Analysis (FMEA)	The ability to proactively identify and mitigate design and process risks for both monthly and hourly paid employees.	301	2,408
Reliability	The ability to address evolving product failure mechanisms using data-driven analytical methods, specifically for R&D and Quality monthly paid employees.	123	6,704
Quality 101	Covers key quality modules to guide the achievement of superior product and process quality for Quality monthly and hourly paid employees.	13	82,5
Quality Awareness	Defines quality principles and the Company's quality vision/policy to foster a unified quality culture across all monthly and hourly paid employees.	1,356	1,130

ARÇELİK RELIABILITY & 6 SIGMA DAY

As part of our in-house event, the Reliability & 6 Sigma Day, we share the work carried out on product reliability, quality and safety. We aim to ensure safe design and production by transferring new technical knowledge throughout the Company. By creating a product safety culture, we reduce product and service call rates. In the Reliability & 6 Sigma Day, teams discuss their progress in developing new reliability, safety and 6 Sigma methods and tools and we also invite experts from various fields to present and share their insights. During the 2024 Reliability & 6 Sigma Day, our teams implemented 45 Reliability and 1,001 Sigma projects.

Our product quality and safety management system are continuously monitored and evaluated in line with our procedures to ensure that all products meet high-quality standards and comply with the various legislation regarding product quality and safety. While no public targets regarding product quality and safety have been established, we have set internal business area-specific targets for our product quality that support the mitigation of potential impacts on consumers and customers in relation to product safety and use.

OUR GOALS IN product quality and safety for the year 2025 are:

- **Driving Excellence in Reliability and 6 Sigma Projects:** By prioritizing the durability and quality of our target products, we aim to accelerate our global Reliability and 6 Sigma initiatives, ensuring every product surpasses customer expectations in performance and lifespan.
- **Enhancing Reliability Laboratory Capabilities:** Expanding the scope and depth of our Reliability labs will enable us to conduct comprehensive failure assessments on all critical components, identifying and addressing potential vulnerabilities with unmatched precision.
- **Raising the Bar for Quality Leadership:** Building on our reputation as a leader in the durable consumer goods sector, we aim to set a new standard in product safety and quality, making reliability a hallmark of every product we bring to market.
- **Employee Training and Safety Culture:** Promote a culture of safety within the organization by regularly training employees in safety procedures and practices related to product design, manufacturing and testing.
- **Leading the Industry in Product Safety:** At the forefront of the industry, leverage our extensive expertise and advanced engineering knowledge in product safety to set new standards and lead the way in ensuring the highest levels of safety in every product we produce.
- **Quality Academy:** Program was developed to initiate & improve a collaborative and end-to-end quality approach and perspective, enhance common knowledge and create common ground. We defined quality competencies of the plants with 3 levels (beginner, intermediate, advanced) considering monthly paid and hourly paid employee. We collected competencies under 3 pillars like core, role based and critical production processes. Finally, we created solutions including outsource, insource and on the job training to overcome defined competency requirements.

PRODUCT QUALITY AND SAFETY

PRODUCT SAFETY MANAGEMENT

We give utmost priority to product safety in all processes including supply, design, production, storage, shipment, installation and after-sales service. We comply with all applicable product-related directives, regulations and standards of each country and region where we conduct business. We take international product safety standards and our Product Safety Design Criteria as the basis for product safety. We also closely monitor the work of the International Electrotechnical Committee and the European Committee for Standardization/European Committee for Electrotechnical Standardization, including the technical committees and working groups that study safety standards. Our team of product safety experts contributes to these committees to enhance safety standards requirements.

We test our products and their components according to global standards and our Component/Test Instructions. With the developed forced failure tests, we check whether the components fail safely. We also take a step further and evaluate possible risks of our products with Failure Mode and Effects Analysis (FMEA) studies and eliminate them at the design phase.

We conduct risk assessments in accordance with regional and international standards and regulations, while systematically monitoring identified risks and corrective actions.

Product safety risk evaluations are updated and followed by the established Product Safety Risk Committee periodically every two weeks. The Product Safety Risk Committee conducts necessary reports to the Risk Management Committee before the Board of Directors and C-Level. The Head of Enterprise Risk and Insurance, Legal, Product Safety, Global After-Sales and Global Communication are the members that make up the Committee.

We ensure continuous improvement and continuity in product safety through routine internal products and process audits carried out by our Central Product Safety Department. We emphasize the importance of product safety by providing product safety trainings to our suppliers and each employee, improving their technical and behavioral competencies. 257 employees have completed product safety training courses involving a total of 1,885 person*hours in the reporting year.

Recall

The health and safety of our customers are among our top priorities. For this reason, when a recall is required, we make announcements to our consumers using the most effective communication channels in accordance with local legislation. In order to eliminate customers' concerns over product safety, we publish product safety alerts on our website and provide free call center services for recalls. Appropriate action is taken based on complaints received or issues identified through these channels. Our recall procedure is based on approaches of PAS 7100 which have been endorsed by the Office of Product Safety and Standards (OPSS). One recall was issued in 2024. The hazard was the risk of a gas leak caused by a surface defect in the shut off valves used in cookers. The problem was resolved with a series of improvements in the production process and an improved control system. A total of 3,566 units were recollected in this recall.

↗ For further information please refer to our Product Safety Policy.

CUSTOMER AND CONSUMER EXPERIENCE

We identify our customers' and consumers' needs, requirements, and expectations by better understanding their sensibilities and values to meet them in the future. Our objective is to improve customer and consumer satisfaction and service capabilities to differentiate ourselves from our competitors and drive growth and success in our business.

Dealers and Retail Stores

We place a great deal of importance on our B2B customers and our connection with them, as they are the direct contact points with consumers. Thus, sustainability at dealer stores is crucial. Our focus points are to increase digitalization, ensure alignment with our quality standards, maximize consumer satisfaction, and emphasize storytelling about our brands' strategies.

We have also established partnerships with our strategic retailers to enhance cooperation in line with our ESG priorities such as increasing sales of energy-efficient appliances. With a wide range of development programs, we provide online and face-to-face training for our dealers to always keep their knowledge up to date. We carry out automation and digitalization projects to increase their work efficiency; we carry out communication and research studies to understand their expectations and satisfaction, and we develop projects to increase their satisfaction continuously with surveys. In addition to these activities, dealers and retail stores are regularly audited by internal and external auditors to ensure meet Arçelik' quality requirements.

Nearly 3,000 dealers with different concepts are located throughout Türkiye as of the end of 2024. In addition, we collaborate with more than 80,000 retailers and retail chains in different locations around the world. We also have concept stores that enable customers to experience the products with digital tools.

RETAIL ACADEMY

Retail Academy offers further development programs for dealers located in Türkiye to expand their knowledge and learn new skills and abilities. In the reporting period, we reached 7,844 participants through in-person and e-learning courses while 89,296person*hours of training were provided.

AUDITING

DiDe has been designed as a digital audit system for dealers. Dealers located in Türkiye have filled out a questionnaire monthly, which is graded by the system and checked by auditors. The grade is

then finalized by Audit Specialists and necessary improvement actions are taken based on the results.

FiDe (Physical Audit) is an audit system conducted physically. Audit specialists visit our dealers, complete the questionnaire with relevant photos, and upload it to the system. Each physical visit has a corresponding report and email.

The audit specialists who conduct the physical audits and those who evaluate the questionnaire completed by our authorized dealers are the same individuals, and they provide services to our company as third-party service providers.

After-Sales Services

Our after-sales services aim to provide consumers with the best quality standards in repair, transportation, installation, inspection, information support, discovery and maintenance, accordingly, providing service with more than 7,900 authorized services in 59 countries. We also provide customer support via different communication channels such as telephones, e-mails, chatbots, messaging apps, websites, fax, self-services, and social media accounts.

TECHNICAL TRAINING

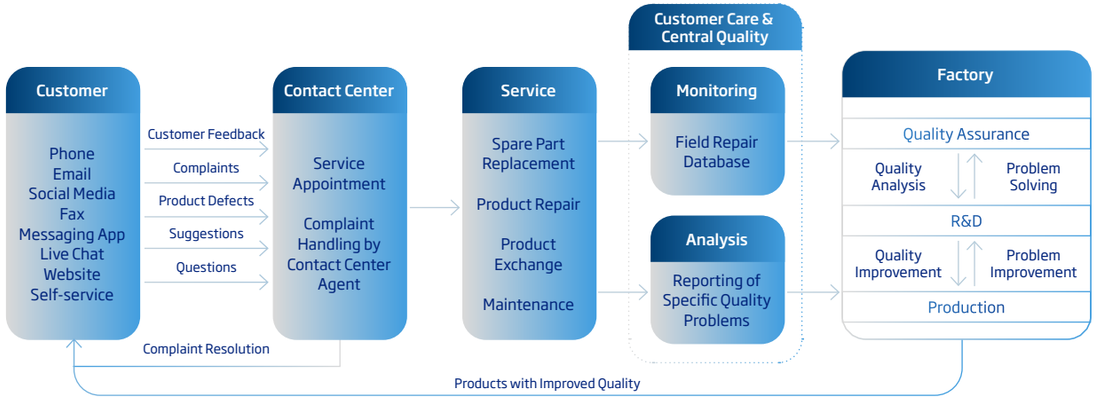
Our objective is to offer comprehensive technical details to our after-sales service providers worldwide for all our products. Training programs have configured more technically competent technicians in the field to fix our products during the product's lifecycle. 17,093 technicians and technical service employees from 47 countries have undertaken physical training and e-learning courses while 382,590 person*hours of training were provided in 2024.

In addition to basic training, there are technical videos which can be used by field technicians while repairing the products.

CUSTOMER AND CONSUMER EXPERIENCE

CUSTOMER FEEDBACK MANAGEMENT

We are committed to delivering exceptional service and product quality to our customers worldwide. This commitment forms part of our sustainable practices by ensuring that we address customer needs effectively and continuously improve the quality of our products. Our approach to enhancing customer satisfaction is structured around key stages of customer engagement, quality monitoring, and product improvement. This system allows us to respond swiftly to feedback and integrate improvements, building stronger relationships with our customers and a more sustainable product lifecycle.



Contacting Customers: To provide a seamless experience, we offer multiple channels for customers to reach us, including phone, email, social media, fax, messaging apps, live chat, self-service and our website. If it is a connected product, the customer can also apply through the HomeWhizz application. This diversity of channels ensures accessibility for all customers, making it easy for them to share feedback, ask questions, and report any product issues. Our Contact Center is at the frontline, managing customer interactions and ensuring every piece of feedback is heard.

Our Contact Center plays a critical role in handling customer feedback effectively. Customer input may include complaints, product defect reports, suggestions, or general inquiries. Contact Center agents are trained to handle each interaction efficiently, setting up service appointments, addressing complaints, or escalating issues when necessary. This first point of contact is essential in our effort to maintain customer trust and resolve issues quickly.

Providing Service Solutions: Once customer feedback has been processed, our Service team steps in to offer solutions tailored to the customer's needs. This may involve spare part replacements, product repairs, maintenance or product exchanges, depending on the issue. By addressing these needs promptly, we not only enhance customer satisfaction but also contribute to sustainable product usage by maximizing repair options and reducing waste.

Monitoring Quality Data and Analyzing Specific Quality Problems: Customer care doesn't end at service delivery. Our Customer Care & Central Quality teams continuously monitor product performance data through a Field Repair Database. This monitoring phase is essential for identifying trends in product issues, understanding the root causes, and proactively addressing potential quality concerns.

In addition to monitoring field data, we conduct in-depth analysis of specific quality problems reported by technicians. Through detailed reporting, we identify recurring issues and prioritize them for action. This data-driven approach enables us to focus on the most impactful quality improvements, optimizing our products based on real customer experiences and insights.

As the highest-ranking individual responsible, the Chief Sustainability, Quality & Customer Care Officer ensures that these activities take place and that insights from monitoring and analysis directly shape our approach to quality management and product improvement.

Factory Quality Assurance, R&D and Production: Our Factory operations, encompassing Quality Assurance, R&D, and Production, take the insights gathered from customer feedback and incorporate them into our production processes. Quality Assurance teams perform thorough quality analysis, identify problem areas, and work on solutions in collaboration with R&D. Together, these departments strive for continuous Quality Improvement and Product Improvement, ensuring that the products we manufacture are aligned with the high standards our customers expect.

The data gathered from customer complaints and service data are fed into our quality improvement process, leading to "Products with Improved Quality". This approach not only enhances our customers' experience but also contributes to sustainable practices by improving the longevity and reliability of our products.

CUSTOMER AND CONSUMER EXPERIENCE

Satisfaction and Communication Activities

CUSTOMER

Voice of Field Project
The Voice of the Field project, which is executed twice a year and each lasting for one-month period, enables us to obtain experience-oriented feedback and suggestions from our dealers, service employees, and promoters, who are directly in contact with our customers. Within the framework of this project, focus group studies and surveys are conducted for subjects requiring more details.

Koç Holding Dealer Satisfaction Survey
The Koç Holding Dealer Satisfaction survey was conducted to collect feedback from our dealers. In 2024, a total of 1,999 dealers were contacted for the survey resulting in 70% coverage and our average customer satisfaction score was recorded as 87.

CONSUMER

Consumer Experience Measurement Activities
As part of our commitment to delivering a superior consumer experience and ensuring the sustainability of our products, we conduct structured evaluations of consumer satisfaction. These evaluations are built around two critical metrics: Net Promoter Score (NPS) and Consumer Satisfaction Score (CSAT).

Net Promoter Score (NPS):
The NPS metric provides a clear measure of consumer loyalty by gauging the likelihood of consumers recommending our products or services to others. Our NPS study is conducted once a year and includes a benchmarking analysis with competitors, managed in collaboration with an external research firm. This ensures a robust and unbiased assessment of our market position and consumer loyalty trends, enabling us to make informed strategic decisions.
Consumer Satisfaction Score (CSAT):
CSAT captures immediate feedback from consumers on their satisfaction with specific interactions, such as service appointments, product repairs, or purchases. To gain comprehensive insights into consumer experiences and preferences, CSAT studies are conducted across multiple channels, collecting feedback from diverse touchpoints. This multi-channel approach allows us to identify specific areas for improvement and tailor our actions to meet consumer needs effectively.
Data-Driven Continuous Improvements:
The results of our NPS and CSAT studies serve as the foundation for actionable improvement plans. These plans focus on enhancing consumer satisfaction and product reliability while ensuring sustainable practices. By integrating these insights into our operations, we strive to exceed consumer expectations and contribute to a more sustainable future.

Voice of Consumer Initiative
The initiative measures consumer experience at 23 transaction points via surveys. Additionally, alert systems for negative consumer feedback allow the relevant departments to take quick actions following the research and thus, close the loop

Tracking Research Studies
Dealer non-buyer surveys, conducted every two quarters, and dealer mystery shopper surveys, conducted every two months, help us monitor dealer performance and gain insights into the reasons behind consumer purchase decisions.

Consumer Journey Mapping Project
Consumer journey mapping projects have been initiated across various countries and product categories to enhance the consumer experience by understanding and optimizing every interaction to meet consumer needs. These projects aim to identify opportunities for improvement and have already resulted in several actionable development items in the short term. With the expansion of similar initiatives to new countries and brands, these efforts are expected to drive increased consumer satisfaction, loyalty, and advocacy in the medium and long term.

CONSUMER

Sustainable User Manual Improvement Project
To enhance the user manual experience, it is important to tailor it to the needs and preferences of the consumer. The content should be clear, detailed, and easily accessible, especially for self-assembling consumers and those seeking post-purchase information. Additionally, eco-friendly and sustainable practices should be implemented in the creation and distribution process of user manuals.

Social Listening Analysis Project
Social Listening Analysis allows us to analyze our consumers' posts on social media continuously providing valuable insights about our products and brands.

Marketplace Analysis Project
The initiative enables us to analyze our consumers' scores and comments about our Altus and Grundig branded products on marketplaces continuously.

Koç Holding Consumer(B2C) Satisfaction Survey
The Koç Holding Dealer Satisfaction survey was conducted to collect feedback from end-users of our products.

A nationally representative sample was built. 4,029 end-users from 51 different cities of Türkiye took part in the research in total:
- Beko/Arçelik past two-year MDA purchasers: 2,468 respondents
- Beko/Arçelik past two-year TV purchasers: 672 respondents
- Beko/Arçelik past two-year air conditioner purchasers: 889 respondents

Our overall consumer satisfaction score in 2024 was recorded as 90.38.

With our 22 global brands, we focus on understanding consumers' needs, and expectations, and develop solutions with our leading technology. Our priority is to comprehend the requirements and anticipations of our consumers and then apply our advanced technology to develop effective solutions. We strive to create a consumer-centered brand and product experience in all the countries where we have operations.

Our Global Consumer Satisfaction Survey was conducted to gauge our consumers' (end users') experiences across various touchpoints and overall loyalty to the brand. The research targeted consumers who had purchased major domestic home appliances from Arçelik Global within the last two years. It included three prominent Arçelik Global brands, namely, Beko, Arctic and Defy and covered nine countries which are our major markets.

Countries: England, France, Germany, Italy, Poland, Romania, Russia, Spain, South Africa
Sizeable Population: Approximately 300respondents per country participated in the survey.

Overall Loyalty Score of Arçelik Group Brands: 80.2 (2.7 increase compared to 2023)
- Loyalty Score of Beko: 77.4 (1.5 increase compared to 2023)
- Loyalty Score of Arctic: 90.7 (1.6 increase compared to 2023)
- Loyalty Score of Defy: 91.3 (0.8 increase compared to 2023)

Competitors' Brand Loyalty: 81.2
Timing: The data was collected in August 2024 via online survey

CUSTOMER AND CONSUMER EXPERIENCE

User Experience

We seek to satisfy our customers and consumers by providing products and services of the highest quality and standards. We strive to become a beacon of reliability, continuity, and respectability for all customers. To deliver user experiences that meet consumer and customer needs, we have conducted three main projects as follows.

THE KITCHEN

The Kitchen, based in Cooking Appliances Plant in Bolu Türkiye, serves as a user experience location with a range of selected Arçelik, Beko, and Grundig-branded products. This means customers can offer feedback and gain insights on our products by having cooking experience, reviewing product performance and studying recipes, which then serves as input for new products and ideas. Regarding our sustainability strategy, the Kitchen also supports healthy cooking practices, local farmers, and a near zero waste management approach.

NEXT GEN MERCHANDISING

Our company took an innovative approach to merge digital and physical retail experiences! Online expert is an online assistant equipped with digital capabilities that serves as the initial point of contact for consumers who visit our flagship stores virtually through their online devices. This is a great way to bridge the gap for consumers who might not be able to visit stores in person, providing a more personalized and interactive experience, allowing users to engage with your products and services from the comfort of their homes.

Collaborating with top universities and offering initiatives like workshops, flagship store visits and C-level meetings shows that we are not only focused on advancing technology, but also on connecting with younger generations and staying in touch with emerging trends. Reverse mentoring we apply is a smart way to make sure we are staying aligned with what consumers are truly looking for.

BRAND ROADMAPPING PROCESS

We are dedicated to blending innovative home solutions with environmental responsibility through our Brand Roadmapping (BRM) Process, a strategic tool that guides product development and communication. Our approach is insight-driven, leveraging market analytics, consumer feedback, and technological trends to create products that not only meet but anticipate consumer needs. This process fosters collaboration across product development teams, enabling the creation of innovative and environmentally conscious roadmaps with a long-term perspective of up to five years. The outcome is a comprehensive strategic and operational roadmap that delivers cutting-edge products and sustainable brand narratives.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Integrating effective supply chain management is essential to manage environmental, social, and governance related impacts, risks, and dependencies along with business perspective. As a company with a supplier network worldwide, our commitment is to integrate environmental, social, and governance metrics in our approach to the entire value chain. In this regard, we adopt a proactive approach to managing relationships with its suppliers, carefully assessing risks related to its supply chain, including potential disruptions or sustainability challenges. We prioritize long-term, mutually beneficial partnerships that support our sustainability objectives and mitigate supply chain risks.

We have a dynamic purchasing structure with purchasing offices in 13 different countries and more than 400 employees. With approximately 2,700 Tier-1 material suppliers from over 60 different countries, our total purchasing volume reached over EUR 7 billion in 2024. While purchases in Türkiye make up 38.75% we contribute to local development with purchasing activities at countries in Asia, 19.80%; countries in Europe 38.33%; South Africa 1.30%; United States of America 0.99%; and countries in the Middle East 0.84%.

Raw material purchases constitute the largest part of our total purchasing volume. In 2024, raw material purchase rates were 49.4% polymers, 41.13% sheet material, 6.02% copper, and 3.46% aluminum. When metal and plastic materials, the main inputs of home appliance production, are evaluated together with the raw material purchases made by us and our suppliers. Prices of component groups that require intensive use of raw materials are also affected by the price of raw materials.

↘ For further information, you can refer to Annex 11. Supplier Performance Indicators.

Arçelik Global Responsible Purchasing Policy

The Arçelik Global Responsible Purchasing Policy includes principles for suppliers to agree, such as compliance with the laws and regulations and Arçelik's values in terms of environment, social and governance issues. The outline of the Policy covers several critical sub-issues including but not limited to environmental protection, human rights, bribery and corruption.

Our company has a strict policy prohibiting human trafficking, forced or compulsory labor, and child labor also covering our suppliers. We have committed to ensuring that our suppliers act in accordance with the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights.

Accepting and complying with our Global Responsible Purchasing Policy is a contractual obligation. In case of repeated serious violations of this Policy, the Company reserves the right to terminate the contract with its suppliers. Our stakeholders can inform us about suspicious behavior or supplier violations of business ethics via our website (www. ethicsline.net), or the telephone numbers dedicated specifically to countries, which can be found from www. ethicsline.net through "Raise a Concern by Phone" tab. The Company undertakes to handle all notifications about suspicious behavior and violations confidentially and protect those who provide such notifications, and we do not tolerate retaliation.

↗ For further information, please refer to Arçelik Global Code of Conduct, Arçelik Global Whistleblowing Policy and Arçelik Global Human Rights Policy which include our commitments to maintain the ethical standards with our stakeholders including our suppliers, also to Arçelik Global Human Rights Due Diligence Process for the measures and remediation for human rights impacts.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

OUR SUPPLIER SUSTAINABILITY TARGETS

We believe that the suppliers we work with should, as a minimum, have established ISO 14001 Environmental Management Systems. In this regard, having or initiating at least the application process for an ISO 14001 Environmental Management Systems certificate has become a prerequisite from 2023 going forward for both existing and new suppliers*. Suppliers are encouraged to build on top of these systems to increase their positive impact. Therefore, for the Tier 1 material and OEM suppliers within 90% purchasing volume, our 2030 targets are listed below:

- Ensure our suppliers use 100% green electricity,
- Ensure our suppliers set their own targets on emissions,
- Ensure our suppliers set their own targets on water,
- Ensure suppliers exceeding 500 ToE obtain the ISO 50001 certificate.

This green transition will be a significant step to decarbonize our value chain as well as our industry.

*90% of purchasing volume of Tier-1 material and OEM suppliers.

↘ For the details of the targets regarding suppliers, please refer to the Sustainability Targets section of the Report.

In addition to our environmental goals, we continue to conduct and will maintain business ethics audits to our suppliers to ensure that human rights practices are applied to our suppliers' employees. To support the successful implementation of the Company's supplier ESG strategy as an KPI is integrated into the annual performance evaluation scorecards of relevant employees, including C and D-level executives, with links to their annual compensation and bonuses as incentives.

Supplier ESG Program

The Supplier ESG Program is a procedure designed to ensure ESG strategies are embedded into supplier selection and evaluation criteria to identify material risks and impacts, ensuring that supplier business practices are in line with the Arçelik Global Responsible Purchasing Policy.

The Board of Directors is responsible for the oversight of the implementation of the Supplier ESG Program. The focus is on both local and international material and product (OEM) suppliers, covering key areas including Environmental Management, Energy Management, Conflict Minerals Management, Human Rights and Ethics.

We conduct a comprehensive Supplier ESG Assessment Process to ensure that the business practices of our suppliers are in line with the Global Responsible Purchasing Policy. The Supplier ESG Assessment Process for significant suppliers consists of desktop assessment of suppliers via an online survey, on-site assessment of suppliers by our supplier development team employees and on-site or online business ethics assessment of suppliers by an accredited third-party auditor firm. We require full compliance with our Global Responsible Purchasing Policy in these assessments and terminate contracts with any supplier in cases where child labor, forced labor, discrimination, bribery, or incidences of corruption are detected. We may request the removal of any employee or terminate cooperation with a supplier upon finding them acting illegally.

↘ For information regarding relevant key performance indicators, please refer to Annex 11. Supplier Performance Indicators.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

SUPPLIER SELECTION CRITERIA

In the supplier selection process, all new potential suppliers are assessed by a limited survey that covers quality, environment and business ethics aspects. When awarding contracts to existing significant suppliers, quality, timely delivery and ESG score are determined based on the Supplier Sustainability Index. Based on the methodology explained in detail in the Supplier ESG Program, 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 order to have a comprehensive understanding of the supply chain risks and dependencies from an ESG and business perspective, Arçelik carries out a screening process as defined in the Supplier ESG Program to better manage the related risks. In the supplier screening process, several risk factors such as the country-specific risks, sector specific risks, and commodity specific risks, as well as the dependence on the supplier and the potential ESG risks of the supplier, are considered.

In determining significant suppliers for the company, business relevance aspects such as the purchasing volume, dependence on the supplier in terms of sourcing critical components or in terms of being a non-substitutable supplier are combined with potential ESG risks of the supplier based on environmental risks, social risk and governance risks.

Country-Specific	The macroeconomic, legislative, political and social risks related to specific countries are considered, including the corruption index levels. It is also important to look at country specific risks from a globalization/localization perspective. Countries such as Türkiye, China, Pakistan are among countries deemed as risks within country specific risks in terms of macroeconomic, political and social risks.
Sector-Specific	Plastic processing and metal processing sectors are two significant sectors for the Company which have the potential to be risky in terms of environmental and social impact as well as from quality impact.
Component-Specific	Electronic cards and compressors are significantly important components for our business. The dependency on the suppliers of these components is considered from purchasing volume, quality, timely delivery, environmental and social risks such as conflict minerals risk in terms of 3TG metals.
Environmental	We set a prerequisite about ISO 14001 which is the first evaluation criteria in terms of environmental perspective. We also evaluate potential environmental risks based on the process of the supplier and suppliers that have the potential to have a more harmful environmental impact are given a different risk level and prioritization for environmental impact data collection.
Social & Governance	Child labor, forced labor, corruption are among the risks for which we have zero tolerance. Suppliers which operate in countries with high corruption risk, lack of clear rules for child and forced labor as well as lack of industrial unionization are deemed as risky in terms of social risks. Priority is given to these suppliers in business ethics audits.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

SUPPLIER SUSTAINABILITY INDEX

We have an in-house Supplier Sustainability Index project developed under the Supplier ESG Program. The project has been initiated with the Tier-1 material and product (OEM) suppliers. In 2024, we expanded the scope to our Tier 2 material suppliers for the assessment. However, unless otherwise stated, all relevant targets and KPIs belong to the Tier-1 material suppliers and OEM suppliers.

A dedicated in-house team in the Purchasing, Small Domestic Appliances, and Product Sourcing Departments works on this project in collaboration with the sustainability teams. We have also partnered with an independent accredited audit firm to help us carry out this project. The firm provides us with the supplier data monitoring software platform and works in close collaboration with the purchasing team to reach out to the suppliers and act as an advisor for questions raised by the suppliers.

The ESG related risks and business relevance to determine significant suppliers which will be given priority in the assessment process. As defined in the "Supplier Screening" section, we define significant suppliers considering business relevance in terms of high purchasing volume, critical components provided or being non substitutable combined with potential ESG risks of the suppliers.

Identifying and assessing significant suppliers is crucial for enhancing supply chain resilience, since understanding their ESG practices is key to mitigating reputational and compliance risks. Further information regarding the scoring methodology and in-house and third-party assessment processes, please refer to the Supplier Assessment Findings section of the Report.

SUPPLIER SUSTAINABILITY INDEX

Survey

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.

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.

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.

For further information regarding the qualitative and quantitative ESG data required in the questionnaire, you can refer to Arçelik Supplier ESG Program.

For further information regarding capacity building in this regard, please refer to the Supplier Development Programs section of the Report.

Business Ethics Audit

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.

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.

For further information regarding the details of the business ethics audits, you can refer to Arçelik Supplier ESG Program.

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.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Commitment Letter

Since 2021, we have been engaging with our suppliers to encourage them to set their own environmental sustainability related targets by circulating a letter (herein referred to as the "Commitment Letter") to our suppliers also explaining our sustainability strategy, our sustainability credentials and our Science Based Targets as well as the 2030 environmental targets. The Commitment letter was signed by Arçelik's Chief Executive Officer, Chief Purchasing and Supply Chain Officer, Chief Marketing Officer, Chief Sustainability, Quality, and Customer Care Officer, Purchasing Executive Director, Small Domestic Appliances Executive Director, and Product Sourcing Executive Director. We have been asking our suppliers to sign the Commitment Letter, and to commit to setting their own targets to reduce GHG emissions, reduce water withdrawal, reduce waste and increase energy efficiency. We also have a requirement that suppliers share these targets publicly on their websites and in their sustainability reports and report on progress in the same way we do.

To date, 194 suppliers have signed the Commitment Letter. A total of 118 suppliers set long-term GHG emission/water/waste/ energy related targets as of the end of 2024. We will monitor their progress. We want to transform our supply chain together and minimize the impact of the operations in the upstream value chain. Therefore, it is important that we help and guide our suppliers to set environmental targets, measure their progress, and reduce their impact.

Supplier Assessment Findings

We have practices in place to ensure that we do not contribute to negative impacts, and we address any severe human rights issues in our upstream value chain efficiently. Resources are allocated to effectively manage these risks and maintain our commitment to ethical labor practices.

We also assess the environmental dependencies and impacts of our suppliers by considering both climate and water security factors. This includes evaluating suppliers in sectors with significant environmental impacts and those located in regions more vulnerable to climate change. Water security is also a key factor, with a particular focus on suppliers facing high water risks or operating in regions with scarce water resources. Additionally, we ensure that our suppliers comply with relevant environmental standards and regulations.

The table below summarizes the overall supplier ESG assessment process and findings:

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%	

↘ For further information, please refer to Annex 11. Supplier Performance Indicators.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

No actual cases of child labor forced labor, violation of freedom association right, discrimination, bribery, or corruption were detected during business ethics audits to our suppliers. No contracts have been terminated for Tier-1 material and OEM suppliers within the scope of the Supplier Sustainability Index Program in 2024.

Findings and the related mitigation actions taken within the scope of business ethics to our suppliers as well as ESG survey qualitative dimension are listed below:

In addition, the findings of the previous period were taken into consideration. As a result, 7 follow-up audits were carried out by third party auditors and a total of 54.6% of the non-conformities were improved.

Main Category	Topic Details	Non-Conformities	Improved*	In progress*	Open	Mitigation actions taken
Forced labor	• Lack of policy for bonded labor • Failure to inform employees about disciplinary policies	12	3	0	9	• Preparation and implementation of relevant policy
Child labor and young workers	• Not provided employee ID copy • Young employee working hours • Lack of policy for young worker employment	11	6	0	5	• Directly contacting with suppliers under GDPR rules • Limitation of working hours aligned with the local law • Preparation of relevant policy
Operating Hours and Fees	• Night work system, overtime hours, at least one day off per week • Lack of working hours records • Lack of control over overtime pay	141	88	0	53	• Limitation of overtime working hours aligned with the local law • Providing the payrolls
Discrimination	• Lack of policy against discrimination • Insufficient employment of disabled personnel • Insufficient policy for women rights	269	124	23	145	• Preparation and implementation of relevant policy • Employment of disabled personnel in compliance with regulations
Freedom to Form Unions	• Failure to effectively communicate worker representatives to all employees • Employee not recognizing the union representative	11	1	0	10	• Informing all employees about their rights and making the union's activities visible
Occupational Health and Safety	• Lack of OHS training • Proper storage of chemicals, emergency exits and correct location of fire extinguishers • Lack of root-cause analysis of work accidents	488	286	0	202	• Planning of OHS training • Proper chemical storage • Outward opened emergency exits • Correct positioning of fire extinguishers • Submission of root-cause analysis
Environment	• Lack of environmental reporting, waste and GHG emission calculation, protection of chemicals	682	287	31	395	• Preparation of environmental reporting, calculating GHG emissions and tracking the waste and proper storage of chemicals, implementation of action in the field
Ethics Policy and Management Systems	• Lack of policy on bribery and corruption • Not assessing risks based on Labor, Health and Safety, Environment and Performance • Deficiencies in reporting of training provided to employees and outcomes • Deficiencies in the confidential ethic line system • Lack of internal audit processes • Lack of adequate documentation regarding conflict minerals • Lack of supplier notifications and audits	742	415	10	327	• Submission of relevant documents of ethical business behavior • Guidance for risk analysis on relevant topics • Monitoring training documents and providing technical support if necessary • Guidelines for creating an ethic line. • Providing documentation regarding conflict minerals • Guidance for supplier audits and performance monitoring
Total		**2,356**	**1,210**	**64**	**1,146**	

*follow-up audits and CAPA management system

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Supplier Development Programs

WORKING WITH SUPPLIERS TO IMPROVE NON-CONFORMITIES

Once non-conformities are determined based on Arçelik's internal evaluation and third-party ethics audits, as indicated in the Supplier Assessment section and Supplier ESG Program in further detail, the Company sends corrective action plans to suppliers. The internal dedicated sourcing team and the third-party service suppliers work with the suppliers to specifically improve non-conformities. This includes both on-site and online collaboration via suppliers. This effort gives suppliers guidance on which actions they need to take to better improve their ESG performance.

Considering that we have agreed to work on corrective action plans with all the high-risk and middle-risk suppliers with substantial actual/potential negative impacts, we have provided first-hand assistance and support in 2024 to 146 of the high-risk and middle risk suppliers to implement those actions. At Arçelik, we aim to ensure that the practices of our suppliers improve over time. Therefore, we have several initiatives including training and technical capacity improvement programs.

↘ For further information, you can refer to Annex 11. Supplier Performance Indicators.

SUPPLIER TRAINING

An important part of our approach consists of working with suppliers to ensure the suppliers gain in-depth knowledge and awareness of our ESG strategy, policies and procedures. The online training covers information on Arçelik's Global Responsible Purchasing Policy and ESG Program well as the Company's ESG targets and business strategy approach. The training consists of online webinars and technical consultancy services provided in collaboration with the third-party independent service provider consultant. Furthermore, in 2024, we activated the Digital Education Platform with the aim of digitizing our sustainability training programs in 12 different areas including ISO Environment and Energy Management Systems, GHG inventory calculation method, energy and environmental data collection, CBAM regulation, ROHS regulation, conflict minerals, occupational health and safety, risk identification and business law & social security legislation as well as business ethics.

In 2024, the total number of training hours has reached to 495 person*hours only on the platform. As stated in Supplier ESG Program, in the online supplier evaluation software tool, we included a benchmark section available for suppliers to access how their peers are performing as best-case examples. Suppliers can access summary reports of why the said suppliers were rated as best performing based on our Supplier Sustainability Index.

↘ For further information, you can refer to Annex 11. Supplier Performance Indicators.

TECHNICAL CAPACITY IMPROVEMENT PROGRAM

Arçelik aims to systematically improve the technical capacity of its suppliers in terms of ESG strategy and risk management. We know this is a long-term journey. We aim to equip our suppliers with the necessary tools to stay proactive, to embed sustainability into growth strategy and to prepare for upcoming regulations. We have witnessed major regulations coming into force, and our efforts to help suppliers proactively proved the strategy is working. We aim to increase production quality and efficiency of suppliers, support them towards adopting a sustainable production approach, and help them to maintain their competitiveness. We analyze the needs of suppliers and ensure access to resources allocated for further cooperation.

In 2024, efforts have been made to develop supplier infrastructure and technical competencies, and to disseminate new production technologies emerging in the industry in the supplier ecosystem. The company continues to carry out its activities in line with its sustainability goals by including its suppliers in the process. The target projects include the Supplier ESG Target setting project as well as focus projects on raw material reduction, increasing recycled material consumption, increasing energy efficiency, renewable energy usage and increasing digitalization capabilities of the suppliers.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

ESG TARGET SETTING PROCESS

Arçelik has been working in close collaboration with the suppliers who signed the Commitment Letter to set publicly available targets. As of the end of 2024, we provide details in the table of the number of suppliers with their base year and target year values in different areas.

This is a significant awareness and result based project. We provided customized trainings to these suppliers on how to set GHG reduction, water reduction, energy efficiency and renewable energy targets in a given base year against a target year, how to make measurements and how to take concrete actions based on our expertise in these areas. Based on the number of suppliers that have set their targets, the Company expects the following impact.

Targets	The Number of Suppliers with Both 2025 and 2030 Targets	Base Year	Target (2025)	Target (2030)	Target Trend
Total Waste amount per Product (tonnes/product)	35	0.021	10%	20%	↘ Decreasing
Total Water Withdrawal Amount per Product (m³/ product)	43	0.061	43%	47%	↘ Decreasing
Water Recycling Ratio (%, Total Recycled Water/ Total Water Withdrawal)	13	18	20%	15%	↗ Increasing
Scope 1 GHG Emissions (tonnes CO_2e)	37	6,623	30%	42%	↘ Decreasing
Scope 2 GHG Emissions (tonnes CO_2e)	33	25,391	29%	35%	↘ Decreasing
Specific Energy Consumption	55	0.012	33%	42%	↘ Decreasing
Purchased Green Electricity Certificate (kWh)	14	5,169,532	42%	55%	↗ Increasing

CONFLICT MINERALS MANAGEMENT

The 3TG (tin, tantalum, tungsten, and gold) minerals used in the production of electronics and durable home appliances are usually extracted from high-risk conflict zones around the world. In addition, cobalt and mica may be sourced from high-risk areas. As per the UN's guidelines and restrictions on conflict minerals, Arçelik commits to not purchase these essential raw materials from high-risk conflict zones or in a way that will financially support the conflict. Additionally, Arçelik aims to ensure that other high-risk minerals, such as cobalt and mica, are sourced responsibly In compliance with the Organization for Economic Co-operation and Development (OECD), Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, the main purpose of our Conflict Minerals Policy is to prevent the trade of 3TG minerals–as well as other high-risk minerals like cobalt and mica–that finance armed conflicts or are extracted by forced labor. Our suppliers are required to fully comply with and support this policy. Our expectation from our suppliers is to question the 3TG, cobalt and mica minerals' presence in the materials used in production, to find the source of the smelting facilities if there is 3TG, cobalt or mica, and to share these findings transparently. As Arçelik, being a member of the Responsible Minerals Initiative (RMI) makes us direct our efforts in concert with the international community to improve mineral sourcing practices and to utilize diverse information on high-risk minerals, including 3TG and others like cobalt and mica concerning their smelters or refiners (SORs) as well as their place of origin. We use RMI tools to train its suppliers, determine the risk level of SORs worldwide, confirm the SORs' country of origin, and prepare for other precious materials like cobalt, mica, or copper.

The Company will eliminate non-certified SORs from the supply chain by implementing a risk-based approach. As a first step, we require the relevant SORs to be entitled to conformant and certified, while the Company's action plan regarding improvements and risk mitigation addresses eliminating non-conformant ones in the supply chain as a further step.

↘ For more information regarding our performance regarding conflict minerals, you can refer to Annex 11. Supplier Performance Indicators.

↗ Further information about due diligence, please refer to our Conflict Minerals Due Diligence Report.

↗ For further information, please refer to Arçelik's Conflict Minerals Policy.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Supplier Financing

Arçelik is a partner with C2FO, a digital working capital platform enabling suppliers to receive early payments on their invoices at discounts they determine. The C2FO platform enables Arçelik to offer early payment of invoices to any of its suppliers. The suppliers request early payment in exchange for a discount which, uniquely, they choose. Suppliers of all sizes, not just a select few, can accelerate their receivables at a reasonable cost, accessing cash that is vital for their businesses given the uncertainties and high-inflation environment. In the meantime, Arçelik earns a yield for its free cash by investing the funds into its own ecosystem, rather than parking it in money market instruments. And it is all done without time-consuming manual processes or paperwork. For the suppliers, the early payment option has been a useful tool to manage their cash flow and working capital. Because they receive the payment sooner, suppliers can invest more in larger orders of inventory and materials at lower prices, helping them stay ahead of rising inflation. Through C2FO's early payment tool, Arçelik has achieved an unprecedented level of flexibility in how it helps its suppliers mitigate the risks from rising inflation, volatile energy and materials prices, and geopolitical crisis in neighboring regions.

Each supplier can choose which invoices they want to have paid early and how much of a discount they are willing to offer. Unlike other working capital solutions, suppliers are not required to secure underwriting or produce any cumbersome paperwork. The program is available to essentially every strategic supplier in our network. Lastly, by providing training services to small and medium-sized enterprise (SME) suppliers through C2FO about how to manage working capital, Arçelik has assessed the long-term financial strength of its SME supplier base.

In 2024, the Company's Environmental, Social, and Governance (ESG) standards were reflected in its supply chain through the Supplier ESG Program, which was integrated with the C2FO Early Payment Platform. The company evaluated the ESG performance and progress of its suppliers toward their goals, offering them more favorable early payment benefits.

Supplier Localization

At Arçelik, collaborating with local suppliers is a crucial part of our sustainability strategy. With the aim of reducing dependency and supply risk, and to increase the production technology know-how of suppliers, we develop initiatives and support domestic production in each region we operate. As part of the supply chain transformation, localization has been on the agenda of purchasing teams since the beginning of the pandemic to reduce supply risk and increase local production technology know-how. This approach not only contributes to local economies but also helps reduce the carbon footprint of our supply chain.

In the OEM side, localization study in SDA category completed for 10 suppliers.

↘ For further information, you can refer to Annex 11. Supplier Performance Indicators.

Purchasing Academy

The Academy, which was established in partnership with the Chartered Institute of Procurement and Supply, has aimed to reinforce the knowledge and skills of the Arçelik Purchasing Team since 2013. The training process in 2024 included purchasing teams with 78 participants from 8 different countries.

↘ For further information, please refer to the Future Fit Development section of the Report.

↘ For further information, you can refer to Annex 11. Supplier Performance Indicators.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Global Logistics Supply Chain Management

Engagement with logistics suppliers in terms of ESG topics and creating synergies to enhance their ESG performance is important within the context of Arçelik's sustainability roadmap. With this perspective, Arçelik Supply Chain Process & System Development Management at headquarters and subsidiary Supply Chain teams work in close collaboration with the Sustainability Department in order to create a strategic roadmap for transformation, collecting and analyzing data of the processes, and identifying areas for improvement by keeping an eye on international developments and rolling-out projects.

LOGISTICS ESG TRANSFORMATION STRATEGY

To identify a roadmap for logistics ESG transformation and create a medium- and long-term strategy for 2030 and 2050, a focus group was formed with the participation of relevant departments. The priority areas are determined as: decreasing emissions, reducing/ recycling/reusing material, green transition at warehouses, sustainable strategic partnerships, and women employment in operations. In line with these strategic categories, several ESG initiatives are taking place in logistics operations.

Decreasing Emissions

- Transportation modes resulting in less emission such as seaways and railways are aimed to be prioritized for all transportation. The use of railways for transportation between the port and warehouses in Türkiye has increased to 2,267 in 2024 from 2,248 compared to 2023, which accounts for a total of 0.8% increase.
- Our project to decrease the number of shipments by using higher volume containers instead of lower volume continued. The focus is Türkiye operations, more shipments were shifted to 40 HC in 2024, which resulted in avoiding 124 tCO_2e.
- In Türkiye, e-Truck usage trials continued. Deliveries from ports resulted in avoiding 1.5 tCO_2e.
- After successful pilot studies, three electric vehicles were put into use for local deliveries in Türkiye. By the end of 2024, 82 tCO_2e emissions were avoided.
- By combining certain shipments of spare parts and finished goods in Türkiye, the total number of shipments decreased. In 2024, 335 tCO_2e avoided thanks to combined delivery. Also, an initiative to improve loading configurations has been applied. This resulted in 335 tCO_2e savings.
- Three CNG-powered trucks were put into use for Türkiye operations. By the end of 2024, 33 tCO_2e emissions were avoided.
- In APAC operations, the loading configurations of cooling products are revised and improved. After the safety and damage tests, the new configurations are started to be used. With this change, 5% less delivery movements are done.
- In 2024, the objective was to achieve a 1.3% increase in Beko Europe's target network saturation, which was pursued through several key activities including identifying current gaps and establishing new standards, benchmarking and collecting best practices across various markets. As a direct result of these efforts, new standard loading configuration profiles were created, and each customer and warehouse were assigned to a customized profile. This resulted in a 1.4% increase in saturation in 2024 compared to 2023, leading to less deliveries.
- Additionally, in TV warehouse, the adoption of a more sustainable approach for increasing stacking level led to improved space utilization, operational efficiency and further promoting sustainability in our logistics operations.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Green transition at warehouses

- With the transition to automatic lighting systems in APAC warehouses, the electricity use was recorded as 5,981 kWh in 2024 compared to 11,372 kWh in 2023.
- In Türkiye warehouses, the transition to automatic lighting systems in warehouses continued. The electricity use was recorded 2,486 MWh 2024 compared to 2,534 MWh in 2023 which resulted in emission saving 21 tCO_2e.
- In our warehouses in Italy, we managed to reduce the indoor temperature while ensuring that our employees can still stay warm. This approach decreased gas consumption and carbon emissions by 30%.

Reducing/recycling/reusing material

- By enhancing quality checks and improving packaging in its APAC operations, the company has achieved substantial environmental and operational benefits. Specifically, these changes have led to a 20% decrease in packaging material consumption, effectively safeguarding carton boxes from damage, and reduced stretch film usage due to a redesigned wrapping process. The implementation of plastic sheet reuse further contributes to waste reduction and material efficiency.
- In APAC operation, e-tax system is implemented for product invoicing. With the new system, paper consumption used in invoicing has been reduced. As a result, paper usage was reduced from 1,440 reams in 2023 to 500 reams in 2024. The e-Tax system will be expanded to spare part invoicing in 2025 to further reduce paper consumption.
- In Beko Europe warehouses, manual process is transitioned to automatic wrapping. The initiative has resulted in a 40% reduction in film usage and improved operational efficiency. This shift not only saves material consumption but also contributes to sustainability by minimizing waste, all while maintaining high-quality packaging.
- Usage of foldable boxes continued in 2024 for spare parts distributions in Türkiye, which allowed the reuse of the same box for the following deliveries. This resulted in 150 tonnes of cardboard being saved.
- In 2024, warehouses in Türkiye continued their efforts to reuse consumables by utilizing materials sourced from factory surplus and waste, rather than purchasing new. This initiative eliminated the need to procure new pallets, cardboard, plastic sheets, and cardboard corner protectors. As a result, wood usage dropped to 9.7 tonnes from 12 tonnes in 2023, leading to an estimated emission savings of 0.2 tCO_2e.

Sustainable strategic partnerships

Among our global network of logistics suppliers, our sustainability training initiative continued with third-party logistics providers (3PLs) in 2024. By the end of 2024, an additional 23 partners completed the training.

Meetings are held with our major logistics partners to understand their sustainability roadmap and discuss potential collaboration areas.

Women employment in operations

Thanks to the efforts to increase the ratio of women warehouse employees at central distribution and spare parts warehouses in Türkiye, the number of women workers increased 40% including in positions such as forklift drivers and reach truck operators.

COLLECTION AND ANALYSIS OF LOGISTICS ESG DATA

The first step of working towards the logistics ESG targets is to make sure the related data is gathered correctly and analyzed effectively. The ALBA and logistics visibility projects continued, which aims tracking vehicle movements in real-time through a single interface with end-to-end support and alert systems.

In 2024, the scope is expanded, both road and seaway shipments are covered. The goal is to eliminate manual tracking by bringing all stakeholders onto the same platform, thereby increasing operational efficiency. The project aims to enhance digitization and data quality through automated screens. The AI-powered tracking platform forecasts estimated arrival times, provides alerts for delays and exceeding free time, reduces costs by preventing potential delays, and improves service quality through detailed carrier performance reports.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

OPERATIONAL IMPROVEMENT

Arçelik also improves its end-to-end logistics operations via several projects. As part of our commitment to operational excellence and sustainable growth, we launched the Minerva Project–a strategic initiative designed to digitally transform our finished goods supply chain operations across organization. By fostering collaboration between local teams and internal supplier units, Minerva aims to unify network intelligence within a "single source of truth" framework. The project enables a seamless end-to-end planning process across S&OP and S&OE functions. This transformation enhances agility, transparency, and decision-making accuracy, ultimately contributing to value optimization and stakeholder satisfaction across our global supply chain ecosystem.

On top of transformation projects, initiatives have started to increase the level of automation in Supply Chain, such as process analysis, usage of AI applications in different domains of supply chain, Robotic Process Automation (RPA) enable integrating robots for repetitive tasks that can be solved with automation.

To increase supply chain performance visibility, business intelligence and data projects continued. In addition, there are also operational improvement studies conducted. A significant example is the forklift accident prevention systems to increase occupational safety in production warehouses.

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ANNEX 1. SCOPE OF THE REPORT

PRODUCTION FACILITIES

- Dhaka Bangladesh Refrigerator Plant[1]
- Dhaka Bangladesh TV, Air Conditioning and Washing Machine Plant[1]
- Shanghai China Hitachi Washing Machine Plant*[1]
- 10th of Ramadan Egypt Beko Egypt Cooking Appliance, Refrigerators and Dishwasher Plant
- Gujarat India Voltbek Refrigerator Plant*[3]
- Cassinetta Italy Beko Europe Cassinetta Refrigerators Plant
- Cassinetta Italy Beko Europe Cassinetta Cooking Appliances Plant
- Cassinetta Italy Beko Europe Cassinetta Built-in Microwave Ovens Plant
- Melano Italy Beko Europe Melano Cooking Appliances Plant
- Comunanza Italy Beko Europe Comunanza Laundry Appliances Plant
- Siena Italy Beko Europe Siena Refrigerators Plant
- Hayderabad Pakistan Refrigerator Plant[2]
- Karachi Pakistan Refrigerator and TV Plant[2]
- Karachi Pakistan Washing Machine, A/C and Cooking Appliances Plant[2]
- Wroclaw Poland Beko Europe Wroclaw Refrigerator Plant
- Wroclaw Poland Beko Europe Wroclaw Cooking Appliances Plant
- Radomsko Poland Beko Europe Radomsko Dishwasher Plant
- Radomsko Poland Beko Europe Radomsko Laundry Appliances
- Lodz Poland Beko Europe Lodz Dryer Plant
- Lodz Poland Beko Europe Lodz Cooking Appliances Plant
- Gaesti Romania Arctic Refrigerating Appliances Plant[2]
- Ulmi Romania Arctic Washing Machine Plant[2]
- Lipetsk Russia IHP Appliances JSC Refrigerator Plant[4]
- Lipetsk Russia IHP Appliances JSC Washing Machine Plant[4]
- Kirzhach Russia Beko LLC Refrigerator and Washing Machine Plant
- Poprad Slovakia Beko Europe Poprad Laundry Appliances Plant[5]
- Jacobs South Africa Defy Cooking Appliances, Tumble Dryer and Washing Machine Plant
- Ezakheni South Africa Refrigerating Appliances Plant[2]
- Kabin Buri Thailand Hitachi Refrigerator Plant*[5]
- Kabin Buri Thailand Hitachi Washing Machine Plant*[5]
- Rayong Thailand Refrigerator Plant[2]
- Manisa Türkiye Refrigerator Plant
- Manisa Türkiye Washing Machine Plant
- Gebze Türkiye Arcelik LG*[6]
- Eskisehir Türkiye Refrigerator Plant
- Eskisehir Türkiye Refrigerator Plant - Factory[6]
- Eskisehir Türkiye Compressor Plant
- Bolu Türkiye Cooking Appliances Plant
- Bolu Türkiye Cooking Appliances Plant - Factory[2]
- Ankara Türkiye Dishwasher Plant
- Istanbul Türkiye Washing Machine Plant
- Tekirdag Türkiye Electronics Plant
- Tekirdag Türkiye Tumble Dryer Plant
- Tekirdag Türkiye White Goods, Motor and Small Home Appliances Plant
- Istanbul Türkiye Solar Panel Plant

* Plant of joint venture

[1] Living wage and Supplier ESG Program related performance indicators are excluded
[2] Only living wage related performance indicators are excluded
[3] Gender pay, living wage, performance evaluation and Supplier ESG Program related performance indicators are excluded
[4] Only Supplier ESG Program related performance indicators are excluded
[5] Only living wage related performance indicators (hourly wage) are excluded
[6] Gender pay, performance evaluation and Supplier ESG Program related performance indicators are excluded

ANNEX 1. SCOPE OF THE REPORT

R&D AND DESIGN CENTERS AND OFFICES

- Wuxi China Arch R&D Office[1]
- Gujarat India VoltasBeko R&D Office*
- Cassinetta Italy Beko Europe Cassinetta R&D Office
- Fabriano Italy Beko Europe Fabriano R&D Office[2]
- Islamabad Pakistan Dawlance NUST R&D Office[3]
- Karaci Pakistan Dawlance R&D Office[3]
- Wroclaw Poland Beko Europe Wroclaw R&D Office[2]
- Gaeşti Romania Arctic R&D Office[4]
- Ulmi Romania Arctic R&D Office[4]
- Kirzhach Russia Beko LLC R&D Office[4]
- Lipetsk Russia IHP Appliances R&D Office
- Jacobs South Africa Defy R&D Office
- Kabin Buri Thailand Arcelik Hitachi R&D Office*[5]
- Rayong Thailand Beko Thai R&D Office*[2]
- Ankara Türkiye Dishwasher Plant R&D Center
- Ankara Türkiye METU Technocity R&D Center[1]
- Bolu Türkiye Cooking Appliances Plant R&D Center
- Eskişehir Türkiye Refrigerator and Compressor Plant R&D Center
- İstanbul Türkiye R&D Directorate
- İstanbul Türkiye Arcelik Design Center
- İstanbul Türkiye Beylikduzu R&D Center[2]
- İstanbul Türkiye Washing Machine Plant R&D Center
- İstanbul Türkiye Digital Transformation, Big Data and AI Center[1]
- İstanbul Türkiye Small Domestic Appliances R&D Center
- İstanbul Türkiye Manufacturing Technologies R&D Center
- Tekirdağ Türkiye Electronics Plant R&D Center
- Tekirdağ Türkiye Dryer Plant R&D Center
- Kocaeli Türkiye Arcelik – LG R&D Office*[6]
- Manisa Türkiye Manisa Plant, R&D Center*
- 10th of Ramadan Egypt Beko Egypt R&D Office

*Center of joint venture

[1] Energy related performance indicators are excluded only from these locations
[2] GHG, waste, water related performance indicators are excluded
[3] Living wage related performance indicators are excluded
[4] Living wage (hourly wage) related performance indicators are excluded
[5] GHG, waste, water and living wage (hourly wage) related performance indicators are excluded
[6] Gender pay and performance evaluation related performance indicators are excluded

SUBSIDIARIES AND BRANCHES ****

- Algeria - Beko Algeria EURL
- Australia - Beko A and NZ Pty Ltd.[3]
- Austria - Beko Austria AG
- Austria - Beko Europe Austria GmbH
- Azerbaijan - Beko Azerbaycan MMC[3]
- Bangladesh - Singer Bangladesh PLC[4]
- Belgium - Beko Belgium NV
- Belgium - European Appliances Belgium NV
- Botswana - Defy Botswana Proprietary Ltd.[1]
- British Virgin Islands - Pan Asia Private Equity Ltd.[1]
- Bulgaria - Beko Europe Bulgaria EOOD
- Canada - Beko Canada Inc.[3]
- China - Arch R&D Co. Ltd.
- China - Arcelik Hitachi Home Appliances (Shanghai) Co., Ltd.[3]
- China - Arcelik Hitachi Home Appliances Sales Hong Kong Limited[3]
- China - Beko Hong Kong Limited[4]
- China - Beko Shangai Trading Co.
- China - Beko Electrical Appliances Co. Ltd.
- Croatia - Beko Croatia d.o.o.
- Croatia - European Appliances Croatia d.o.o.

ANNEX 1. SCOPE OF THE REPORT

SUBSIDIARIES AND BRANCHES **** (CONTINUED)

- Czech Republic - Beko Spolka Akcyjna (Beko Poland Branch)
- Czech Republic - European Appliances Czech spol. s.r.o.
- Denmark - Beko Nordic DK (Branch office of Beko Nordic AS, Norway)[6]
- Denmark - Beko Europe Denmark A/S[4]
- Egypt - Beko Egypt Trading LLC
- Egypt - Beko Egypt Home Appliances Industries LLC[8]
- Estonia - Beko Europe Estonia OU
- Finland - Beko Nordic AB (Rep Office of Beko Nordic AB, Sweden)[4]
- Finland - Beko Europe Finland OY[4]
- France - Beko France SAS
- France - European Appliances France SAS[1]
- France - European Appliances France Holdings SAS[7]
- Germany - Beko Germany GmbH
- Germany - Bauknecht Hausgerate GmbH[2]
- Germany - IRE Beteiligungs GmbH[1]
- Greece - Beko Greece SMSA[10]
- Greece - European Appliances Greece SA
- Hungary - Beko Hungary Kft
- Hungary - European Appliances Hungary KFT
- India - VoltBek Home Appliances Private Ltd
- Indonesia - PT. Arcelik Hitachi Home Appliances Sales Indonesia[3]
- Indonesia - PT Beko Appliances Indonesia[3]
- Indonesia - PT Home Appliances IND1
- Ireland - Beko Ireland (Beko PLC branch)[5]
- Ireland - Hotpoint Ireland Ltd[5]
- Israel - Beko Israel Household Appliances Ltd.[3]
- Italy - Beko Italy SRL
- Italy - Beko Italy Manufacturing Srl[11]
- Italy - Beko Europe Management Srl[2]
- Italy - European Appliances Italy SRL[2]
- Italy - European Appliances R&D SRL[1]
- Kazakhstan - Beko Central Asia LLC
- Kazakhstan - IHP Kazakhstan LLP
- Kenya - Defy Sales East Africa Limited
- Latvia - Beko Europe Latvia SIA
- Lithuania - Beko Europe Lithuania UAB
- Malaysia - Arcelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd.
- Malaysia - Beko Appliances Malaysia Sdn Bhd
- Morocco - Beko Morocco Household Appliances Sarl[3]
- Morocco - Beko Maghreb Sarl[4]
- Namibia - Defy Namibia Proprietary Ltd.[1]
- New Zealand - Beko A and NZ Pty Ltd. New Zealand Branch (Australia Branch)[3]
- Norway - Beko Nordic AS
- Norway - European Appliances Norway AS
- Pakistan - DEL Electronics Private Limited[4]
- Pakistan - Dawlance Private Limited[8]
- Pakistan - United Refrigeration Industries Ltd.[8]
- Philippines - Beko Pilipinas Corporation
- Poland - Beko SA
- Poland - Beko Poland Manufacturing Sp.z o.o. [11]
- Poland - European Appliances Poland Sp. z o.o. [2]
- Portugal - Beko Portugal Unipessoal Lda.
- Portugal - European Appliances Portugal S.A. or Beko Europe Portugal S.A.[3]
- Romania - Beko Romania SA[11]
- Romania - ARCwaste Collection SRL[1]
- Romania - European Appliances Romania SRL
- Romania - Arctic Foundation[1]
- Russia - Beko LLC8
- Russia - IHP Appliances JSC
- Russia - IHP Appliances Sales LLC
- Serbia - Beko Balkans d.o.o.
- Serbia - European Appliances Balkans d.o.o. Beograd

ANNEX 1. SCOPE OF THE REPORT

SUBSIDIARIES AND BRANCHES **** (CONTINUED)

- Singapore - Arcelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd.[3]
- Slovakia - Beko Slovakia SRO[1]
- Slovakia - European Appliances Slovakia spol. s r.o.[3]
- Slovakia - Beko Manufacturing Slovakia spol. S.r.o[11]
- South Africa - Defy Appliances Proprietary Limited[8]
- Spain - Beko Spain Electronics SL
- Spain - European Appliances Spain S.A.
- Eswatini - Defy Swaziland Proprietary Limited[1]
- Sweden - Beko Nordic AB[3]
- Sweden - European Appliances Nordic AB
- Switzerland - Grundig Multimedia AG[1]
- Switzerland - Beko Switzerland GmbH
- Switzerland - Bauknecht AG
- Switzerland - Indesit Company International Business SA
- Taiwan - Arcelik Hitachi Taiwan Home Appliances Sales Ltd. [3]
- Thailand - Arcelik Hitachi Home Appliances (Thailand) Ltd.[3]
- Thailand - Arcelik Hitachi Home Appliances Sales (Thailand) Ltd.[3]
- Thailand - Beko Thai Co. Ltd.[8]
- Thailand - Beko APAC IBC Co. Ltd.[3]
- Thailand - Arcelik Hitachi Home Appliances IBC Co. Ltd.
- The Netherlands - Beko BV[4]
- The Netherlands - Beko Europe BV
- The Netherlands - Beko Netherlands BV
- The Netherlands - Beko Bangladesh BV[1]
- The Netherlands - Beko Europe Holdings BV[1]
- The Netherlands - European Appliances Netherlands BV
- The Netherlands - Arcelik Hitachi Home Appliances BV[1]
- Türkiye - Arcelik Pazarlama AŞ
- Türkiye - Arcelik-LG Klima Sanayi ve Ticaret AŞ[9]
- Ukraine - Beko Ukraine LLC
- Ukraine - European Appliances Ukraine LLC[3]
- United Arab Emirates - Arcelik Hitachi Home Appliances Sales Middle East Fze[3]
- United Arab Emirates - Beko Gulf Fze[3]
- United Arab Emirates - Beko AE LLC
- United Arab Emirates - Beko Gulf DMCC
- United Kingdom - Beko PLC[5]
- United Kingdom - Hotpoint UK Appliances Limited[5]
- United Kingdom - General Domestic Appliances Ltd.[1]
- United Kingdom - Indesit Company UK Ltd.[1]
- USA - Beko US[3]
- Vietnam - Arcelik Hitachi Home Appliances Sales Vietnam Co., Ltd.[3]
- Vietnam - Vietbeko LLC[1]

[1] Excluded from the scope of environmental, social and supplier related performance indicators
[2] Energy related performance indicators are included only from these locations
[3] Energy, living wage (hourly wage), Supplier ESG Program related performance indicators are excluded
[4] Energy, living wage and Supplier ESG Program related performance indicators are excluded
[5] Energy, disability and Supplier ESG Program related indicators are excluded
[6] Energy, GHG, waste, water, living wage and Supplier ESG Program related performance indicators are excluded
[7] Energy, GHG, waste, water, workforce, talent attraction and retention, diversity and inclusion, and Supplier ESG Program related performance indicators are excluded
[8] Energy related performance indicators are excluded, while Supplier ESG Program related indicators are included
[9] Energy, gender pay, living wage, performance evaluation and Supplier ESG Program related indicators are excluded
[10] Energy, living wage and Supplier ESG Program performance indicators are excluded
[11] All included

PARTNERS

- India - VoltBek Home Appliances Private Limited
- Türkiye - Arcelik-LG Klima Sanayi ve Ticaret A.Ş.

ANNEX 2. REPORTING PRINCIPLES

This reporting principles (the "Reporting Principles") provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Arçelik A.Ş.'s and Group Companies' ("Arçelik" or "Company") Arçelik Integrated Report 2024.

The indicators include social indicators, environmental indicators, and economic indicators. It is the responsibility of the Company's management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the principles.

The data presented in this guideline pertains to the fiscal year ending December 31, 2024, and aligns with the scope defined in the "Key Definitions" section. The entities within the scope are listed in Annex 1 Scope of the Report.

GENERAL REPORTING PRINCIPLES

In preparing this guidance document, consideration has been given to the following principles:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information; and
- Information Reporting – to highlight the primary principles of comparability / consistency with other data including prior year and understandability transparency providing clarity to users.

ANNEX 2. REPORTING PRINCIPLES

KEY DEFINITIONS AND REPORTING SCOPE

For the purpose of this report, the Company defines:

Sustainability Targets	**Description:** This section covers the Company's new sustainability targets near-term and long-term targets covering the global operations including Beko Europe.
Reduce absolute Scope 1-2 GHG emissions approved by the SBTi	The Company has set a near-term science-based target to reduce its absolute Scope 1 and Scope 2 greenhouse gas emissions by 2030, and a long-term net-zero target to reduce these emissions by 90% by 2050, both relative to the 2022 base year. The 2022 baseline is used to track and measure progress toward these targets, which have been officially validated by the Science Based Targets initiative (SBTi). The baseline year 2022 and its progress do not cover Beko Europe and Beko Egypt, since they have been included to the Company in 2024.
Reduce absolute Scope 3 GHG emissions from use of sold products approved by the SBTi	The Company has set a science-based target to reduce its absolute Scope 3 emissions from the use of sold products by 2030, compared to 2022 base year. This target is officially validated by the SBTi. The baseline year 2022 and its progress do not cover Beko Europe and Beko Egypt, since they have been included to the Company in 2024.
Reduce absolute Scope 3 GHG emissions approved by the SBTi	The Company has set a net zero target to reduce its total absolute Scope 3 GHG emissions by 2050, compared to 2022 base year. This target is officially validated by the SBTi. The baseline year 2022 and its progress do not cover Beko Europe and Beko Egypt, since they have been included to the Company in 2024.
Green electricity usage ratio in all manufacturing facilities	The ratio of green electricity usage refers to the proportion of the Company's total electricity consumption that is sourced from renewable electricity.
Establish renewable energy systems with a capacity	The indicator refers to cumulative installed capacity of all renewable energy facilities owned by the Company, expressed in megawatt peak (MWp).
Reduce energy consumption per product in all manufacturing facilities	The energy consumption reduction per unit of product in production is an energy efficiency indicator reflecting the level of energy use per product in manufacturing process.
Reduce water withdrawal per product in all manufacturing facilities	The water withdrawal reduction per product in production represents the amount of water withdrawn from natural sources for manufacturing processes, normalized per unit of product produced.
Reduce water discharge per product in all manufacturing facilities	The water discharge reduction target per product in production refers to the volume of wastewater discharged from manufacturing processes, calculated per unit of product produced.
Increase water recycling and reuse ratio in all manufacturing facilities	The ratio of wastewater recycling and reuse represents the percentage of total water consumption that is treated and reused within the facility.
Increase waste recycling ratio in all manufacturing facilities	The rate of waste recycling represents the percentage of total waste (excluding domestic waste) generated that is diverted from disposal and instead processed for recycling.
Increase refurbishment ratio in our Refurbishment Centers	The refurbishment ratio represents the proportion of products received at the Refurbishment Centers in the UK, Italy and Romania that are restored to a functional condition and reintroduced into the market, relative to the total number of products processed.
Arçelik Green Chemistry Management System implementation in all manufacturing facilities	The indicator represents the percentage of manufacturing facilities that have implemented the Arçelik Green Chemistry Management System, which promotes sustainable chemical management by minimizing hazardous substances, lowering toxicity, and prioritizing safer alternatives. Implementation involves internal testing, training, expanding facilities equipped with analytical tools, and conducting regular internal and supplier audits. These activities ensure ongoing compliance and progressive alignment with green chemistry principles across manufacturing sites.
Increase recycled plastic usage in our manufacturing facilities	The total recycled plastic content used in Arçelik products is calculated in accordance with the ISO 14021:2016 standard, based on the ratio of the total amount of recycled plastic consumed to the total amount of plastic used. The calculated recycled content ratio includes all Arçelik manufacturing facilities, excluding refrigerator manufacturing facilities.
Increase the average training hours per employee	The indicator refers to the total training hours that is divided by the number of FTEs.

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Sustainability Targets	**Description:** This section covers the Company's new sustainability targets near-term and long-term targets covering the global operations including Beko Europe.
Increase the percentage of women in the total workforce	The share of women employees out of the total number of employees.
Increase the percentage of women in all management positions	The share of women employees in all levels of management compared to total management roles
Increase the percentage of women in junior management positions	The share of women employees in entry-level or first-line management roles.
Increase the percentage of women in top management positions	The share of women employees in senior/executive management roles.
Increase the percentage of women in management positions in revenue generating functions	The share of women in managerial roles directly tied to business revenue.
Increase the percentage of women in STEM related positions	The share of women employees in Science, Technology, Engineering, and Mathematics-related roles.
Ensure the suppliers use green electricity	The indicator is calculated using the non-renewable electricity, purchased renewable electricity and generated renewable electricity data collected from the suppliers within the scope of the "Supplier ESG Program".
Emission reduction targets set by our suppliers	Within the scope of the "Supplier ESG Program", companies are asked about Scope 1 and Scope 2 data and targets. Suppliers that provide compatible reduction targets under both headings are evaluated within the scope of this target.
Ensure our suppliers set their own targets on water	Within the scope of the "Supplier ESG Program", companies are asked for "Water Consumption per Product" and "Recycled Water" data and targets. Suppliers that provide appropriate targets are evaluated within the scope of this target.
Ensure our suppliers exceeding 500 ToE obtain the ISO 50001 certificate	According to their annual energy consumption, suppliers are requested to obtain ISO 50001 Energy Management System certificate. Companies with a consumption of over 500 TOE per year are within the scope of this target.
Annex 5. Sustainability Targets and Progress	**Description:** This section covers the Company's sustainability targets disclosed in previous years. The scope includes the Company's global operations in 2023 and therefore does not cover the new operations from the merged company, Beko Europe.
Green electricity usage in all manufacturing facilities	The ratio of green electricity usage refers to the proportion of the Company's total electricity consumption that is sourced from renewable electricity.
Establish renewable energy systems	The indicator refers to cumulative installed capacity of all renewable energy facilities owned by the Company, expressed in megawatt peak (MWp).
Increase the water recycling and reuse ratio in all manufacturing facilities	The ratio of wastewater recycling and reuse represents the percentage of total water consumption that is treated and reused within the facility.
Increase the waste recycling rate in all manufacturing facilities	The rate of waste recycling represents the percentage of total waste (including domestic waste as well) generated that is diverted from disposal and instead processed for recycling.
Arçelik Green Chemistry Management System implementation in products and all manufacturing facilities	This indicator represents the percentage of manufacturing facilities that have implemented the Arçelik Green Chemistry Management System, which promotes sustainable chemical management by minimizing hazardous substances, lowering toxicity, and prioritizing safer alternatives. Implementation involves internal testing, training, expanding facilities equipped with analytical tools, and conducting regular internal and supplier audits. These activities ensure ongoing compliance and progressive alignment with green chemistry principles across manufacturing sites.

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Annex 5. Sustainability Targets and Progress	**Description:** This section covers the Company's sustainability targets disclosed in previous years. The scope includes the Company's global operations in 2023 and therefore does not cover the new operations from the merged company, Beko Europe.
Increase recycled plastic content	The total recycled plastic content used in Arçelik products is calculated in accordance with the ISO 14021:2016 standard, based on the ratio of the total amount of recycled plastic consumed to the total amount of plastic used. The calculated recycled content ratio includes all Arçelik manufacturing facilities, excluding JVs and IHP manufacturing facility.
Implement ISO 50001 Energy Management Systems across all manufacturing facilities	This indicator represents the percentage of the Company's manufacturing plants that have implemented the ISO 50001 Energy Management System.
Increase the average training hours per employee	The indicator refers to the total training hours that is divided by the number of FTEs.
Increase the percentage of women in the total workforce	The share of women employees out of the total number of employees.
Increase the percentage of women in all management positions	The share of women employees in all levels of management compared to total management roles
Increase the percentage of women in junior management positions	The share of women employees in entry-level or first-line management roles.
Increase the percentage of women in top management positions	The share of women employees in senior/executive management roles.
Increase the percentage of women in management positions in revenue generating functions	The share of women in managerial roles directly tied to business revenue.
Ensure our suppliers use green electricity	The indicator is calculated using the non-renewable electricity, purchased renewable electricity and generated renewable electricity data collected from the suppliers within the scope of the "Supplier ESG Program".
Ensure suppliers obtain the ISO 50001 certificate	According to their annual energy consumption, suppliers are requested to obtain ISO 50001 Energy Management System certificate. Companies with a consumption of over 1,000 TOE per year are within the scope of this target.
Collect, monitor, and publicly disclose compiled data of suppliers' Scope 1-2 GHG emissions, energy, water, and waste and encourage them to set their own targets	The number of suppliers who are within the scope of the "Supplier ESG Program" and report their ESG related data and the number of suppliers who set their relevant targets.
GHG Emissions (tCO_2e)	
Total Direct GHG Emissions (Scope 1)	Scope 1 emissions are generated from stationary combustion, mobile combustion, fugitive emissions from air conditioners during lifetime and during charge to the products, fire extinguishers, and other chemicals cause GHG emissions, biological wastewater treatment plants in production areas. IPCC Guidelines for National Greenhouse Gas Inventories 2006 (and 2019 amendment), IPCC Sixth Assessment Report (IPCC AR6) and DEFRA 2024 have been used as source for emission factors and methodology for emission calculations. Annual consumptions of Scope 1 sources inventory are used as activity data.
Location-based Scope 2 emissions	The sources of Scope 2 location-based emissions are based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries (*Definitions from GHG Protocol Scope 2 Guidance*).

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GHG Emissions (tCO_2e)	
Market-based Scope 2 emissions	Scope 2 market-based emissions are based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own (*Definitions from GHG Protocol Scope 2 Guidance*).
Total Indirect GHG Emissions (Scope 2)	Total Scope 2 GHG emissions are sum of location and market based GHG emissions.
Scope 3, Category1: Purchased Goods and Services	The sources of indirect GHG emissions from purchased goods and services are raw materials, materials, and packaging materials used in Company's sold products. GHG emissions caused by used materials such as plastics, metals, dyes, chemicals, and other materials used in the products are calculated by using the weight of each material, product selling numbers, and emission factors of used materials. Material data (material types and weights) are collected from products' BoM lists. Emissions factors are mainly taken from Ecoinvent Database and DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government.
Scope 3, Category2: Capital Goods	The sources of indirect GHG emissions from capital goods are Company's buildings, machinery, equipment, moulds, motor vehicles, and land improvements. The GHG emissions are calculated by using Company's global spend-based data.
Scope 3, Category3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	The sources of indirect GHG emissions from fuel-and-energy-related activities (not included in Scope 1 or 2) are well-to-tank GHG emissions of fuel consumption reported in Scope 1 and distribution GHG emissions of electricity consumption reported in Scope 2. This category's emissions have been calculated using the GHG Emission Calculator Tool by the UNFCCC Secretariat.
Scope 3, Category4: Upstream Transportation and Distribution	The sources of greenhouse gas emissions from upstream transportation and distribution are road, air, railways, and water-borne navigation activities during the transportation of raw materials and components from suppliers to the production plants. The calculation methodology is used based on "EPA Center for Corporate Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories".
Scope 3, Category5: Waste Generated in Operations	The sources of third-party disposal and treatment of waste generated in the reporting Company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater (*Definitions from GHG Protocol Scope 3 Guidance*). Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government.
Scope 3, Category6: Business Travel	The sources of indirect GHG emissions from business travel include GHG emissions from the transportation of employees for business related activities such as international and domestic travel by road, railway, and airways.
Scope 3, Category7: Employee Commuting	The sources of business travel emissions includes emitted emissions from the transportation of employees between their homes and their worksites. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government.
Scope 3, Category8: Upstream Leased Assets	These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products.
Scope 3, Category9: Downstream Transportation and Distribution	The sources of this category includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting Company (*Definitions from GHG Protocol Scope 3 Guidance*). The calculation methodology is from "EPA Center for Corporate 250 Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories".
Scope 3, Category10: Processing of Sold Products	Not Applicable (NA)

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GHG Emissions (tCO_2e)	
Scope 3, Category11: Use of Sold Products	The sources of this category includes emissions from the use of sold products in the reporting year for 10 years lifetime. The products which are taken into Company's GHG inventory are cooling appliances, dishwasher, dryer, frontload washing machine, top load washing machine , twintub washing machine, singletub washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, small domestic appliances (such as Turkish coffee machine, hair dryer, toast machine, iron, tea machine, kettle etc.), water dispenser, and water heater product groups produced in Company's own production plants and joint ventures. In addition to its own production, GHG emissions from the use of outsourced products which are supplied from different countries and sold to different countries are also included in this category. GHG emissions generated from electricity and gas consumption of the products, and GHG emissions generated from refrigerant leakage from the product for 10 years lifetime are calculated. The energy consumption of the products is taken from energy labels. The gas capacity of refrigerators, freezers, air conditioners, and tumble dryers is used to calculate GHG emissions from refrigerant leakage. Country-specific electricity emission factors from the International Energy Agency (IEA) for 90% of countries where most of the products were sold are chosen according to the customers' countries of the sold products. For the rest, the average world electricity emission factor is used.
Scope 3, Category12: End-of-Life Treatment of Sold Products	GHG emissions in this category are generated by the recycling and/or disposal process of waste electrical and electronics equipment (WEEE) when 10 years lifetime period of the sold products is ended. The products which are taken into Company's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispenser, small domestic appliances, and solar panel product groups produced in Company's own production plants and joint ventures. The weights of the products are collected from product BoM lists, R&D, and other related departments. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government.
Scope 3, Category13: Downstream Leased Assets	These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products. This category includes emissions from the operation of assets that are owned by the reporting Company (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2 (*Definitions from GHG Protocol Scope 3 Guidance*).
Scope 3, Category14: Franchises	Not Applicable (NA)
Scope 3, Category15: Investments	Not Applicable (NA)
Total Indirect Scope 3 GHG Emissions (tCO_2e)	Total Scope 3 GHG emissions are the sum of all emissions calculated across the Scope 3 categories.
Total Scope 1&2&3 GHG Emissions	This indicator represents the total greenhouse gas emissions (tCO_2e) generated under Scope 1 (direct emissions), Scope 2 (indirect energy-related emissions), and Scope 3 (other indirect emissions including value chain activities). The total value reflects the Company's overall carbon footprint and is calculated in accordance with GHG Protocol.
GHG Emissions (tCO_2e) in the scope of the SBTi	
Total Direct Scope 1 GHG Emissions (tCO_2e)	Total Direct Scope 1 Greenhouse Gas Emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India. As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these new integrated facilities are not included in the total direct Scope 1 GHG Emissions used in the SBTi target calculation.
Location-based Scope 2 emissions (tCO_2e)	Location based Scope 2 emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India. As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these new integrated facilities are not included in location-based Scope 2 GHG Emissions used in the SBTi target calculation. Electricity emission factors are taken from IEA 2024.

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GHG Emissions (tCO_2e) in the scope of the SBTi	
Market-based Scope 2 emissions (tCO_2e)	Market based Scope 2 emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India. As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these newly integrated plants are not included within the scope of the market-based Scope 2 emissions used in SBTi target calculation. Also, the countries that have engaged in Power Purchase Agreements (PPAs) and renewable energy procurement are Türkiye, Romania, Thailand, and Russia. The emission factor of the electricity consumed by facilities that are covered by environmental contribution certificates has been considered as zero.
Total Indirect GHG Emissions (Scope 2)	Total Scope 2 GHG emissions are sum of location and market based GHG emissions within scope of SBTi.
Total Scope 1&2 GHG Emissions (tCO_2e)	Total Scope 1&2 GHG emissions are the sum of Scope 1&2 GHG emissions within the scope of SBTi.
Scope 3, Category11: Use of Sold Products	Scope 3 use of sold products emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India. As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these newly integrated plants are not included within the scope of the Scope 3 use of sold products emissions used in SBTi target calculation. The products which are taken into Company's GHG inventory are dishwasher, dryer, frontload washing machine, hob, hood, microwave, oven, refrigerator, television, vacuum cleaner, washer dryer, air conditioner product groups produced in Company's own production plants and joint ventures.
GHG Emission Intensity	
Total Scope 1 GHG emissions intensity (tCO_2e/TRY million)	Total Scope 1 GHG emissions intensity represents the ratio of total Scope 1 GHG emissions to total revenue.
Scope 2 location-based GHG emissions intensity (tCO_2e/TRY million)	Scope 2 location-based GHG emissions intensity represents the ratio of total Scope 2 location-based GHG emissions to total revenue.
Scope 2 market-based GHG emissions intensity (tCO_2e/TRY million)	Scope 2 market-based GHG emissions intensity represents the ratio of total Scope 2 market-based GHG emissions to total revenue.
Total Scope 2 GHG emissions intensity (tCO_2e/TRY million)	Total Scope 2 GHG emissions intensity represents the ratio of total Scope 2 GHG emissions to total revenue.
Total Scope 1&2 GHG emissions intensity (tCO_2e/TRY million)	Total Scope 1&2 GHG emissions intensity represents the ratio of total Scope 1&2 GHG emission to total revenue.
Scope 3 GHG emissions intensity (tCO_2e/TRY million)	Scope 3 GHG emissions intensity represents the ratio of total Scope 3 emissions to total revenue.
Total Scope 1, 2 & 3 GHG emissions intensity (tCO_2e/TRY million)	Total Scope 1, 2 & 3 GHG emissions intensity represents the ratio of total Scope 1,2 & 3 emissions to total revenue.
GHG Emission Intensity from Use of Sold Products (tCO_2e/ Product quantity)	This indicator reflects the greenhouse gas emissions from use of sold products per million Turkish Lira of revenue.

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Energy	
Energy consumption by fuel type	This indicator represents the total energy consumption by fuel type, including electricity sourced from non-renewable and purchased renewable sources, onsite renewable electricity generation, natural gas, liquefied petroleum gas (LPG), liquefied natural gas (LNG), fuel oil, diesel, biodiesel, various gaseous fuels such as propane and compressed natural gas (CNG), bioethanol, as well as thermal energy in the form of hot water and steam.
Electricity (Non-renewable) (GJ)	This indicator represents electricity purchased by the company from the national or regional electricity grid that does not have associated certified renewable energy attributes, such as Renewable Energy Certificates (RECs), Guarantees of Origin (GoOs), or International RECs (I-RECs).
Electricity (Purchased renewable) (GJ)	This indicator represents electricity procured by the company from fully renewable sources (e.g., through direct Power Purchase Agreements [PPAs]) and possessing certified renewable energy attributes such as Renewable Energy Certificates (RECs), Guarantees of Origin (GoOs), or International RECs (I-RECs).
Electricity (Onsite renewable generation) (GJ)	This indicator represents the electricity generated and consumed on-site by the company from renewable energy sources within the company's operations.
Natural gas (GJ)	This indicator represents the total amount of natural gas consumed by the company across all operations as heating and industrial processes.
LPG (GJ)	This indicator represents the total amount of liquefied petroleum gas (LPG) consumed by the company across all operations. This includes both mobile combustion (e.g., vehicles) and stationary combustion (e.g., equipment, generators).
Fuel-Oil (GJ)	This indicator represents the total amount of fuel oil consumed by the company across all operations.
Diesel (GJ)	This indicator represents the total amount of diesel fuel consumed by the company across all operations. This includes both mobile combustion (e.g., vehicles) and stationary combustion (e.g. generators).
Biodiesel (GJ)	This indicator represents the total amount of biodiesel (bio-component only) consumed by the company, used exclusively as vehicle fuel.
Gasoline (GJ)	This indicator represents the total amount of gasoline consumed by the company across all operations. This includes only mobile combustion (e.g., vehicles).
Bioethanol (GJ)	This indicator represents the total amount of bioethanol (bio-component only) consumed by the company, used exclusively as vehicle fuel.
CNG (GJ)	This indicator represents the total amount of compressed natural gas (CNG) consumed by the company.
Hot Water (GJ)	This indicator represents the total amount of hot water purchased from external suppliers and consumed by the company for use in operations, including heating and processing.
Steam (GJ)	This indicator represents the total amount of steam purchased from external suppliers and consumed by the company for use in operations, including heating and processing.
LNG (GJ)	This indicator represents the total amount of Liquefied Natural Gas (LNG) consumed by the company.
Energy consumption by category (GJ)	This indicator represents the total energy consumption disaggregated by source category, including fossil, nuclear, and renewable energy. It encompasses total energy consumption from fossil fuels such as coal and coal products, crude oil and petroleum products, natural gas, and other fossil sources, as well as consumption of purchased or acquired electricity, heat, steam, and cooling derived from fossil sources. Additionally, it includes total energy consumption from nuclear sources. Renewable energy consumption is detailed by fuel consumption from renewable sources, consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources, and consumption of self-generated non-fuel renewable energy.

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Energy	
Total energy consumption from fossil sources (GJ)	This indicator represents the total amount of energy consumed by the company from fossil sources.
Total energy consumption from nuclear sources (GJ)	Not Applicable (NA)
Total energy consumption from renewable sources (GJ)	This indicator represents the total amount of energy consumed by the company that is derived from renewable sources.
Fuel consumption from renewable sources (GJ)	This indicator represents the total amount of fuel consumed by the company that is derived from renewable sources.
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (GJ)	This indicator represents the company's total energy consumption in the form of electricity, heating, steam, and cooling that is purchased or sourced from renewable energy sources.
Consumption of self-generated non-fuel renewable energy (GJ)	This indicator represents the total amount of renewable energy that by company generates and consumed on-site through non-fuel-based sources.
Fuel consumption from coal and coal products (GJ)	Not Applicable (NA)
Fuel consumption from crude oil and petroleum products (GJ)	This indicator represents the total amount of energy consumed by company that is derived from crude oil and its refined products.
Fuel consumption from natural gas (GJ)	This indicator represents the total amount of natural gas consumed by the company.
Fuel consumption from other fossil sources (GJ)	This indicator represents the total amount of LNG (Liquefied Natural Gas) and CNG (Compressed Natural Gas) consumed by the company.
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (GJ)	This indicator represents the amount of energy purchased or acquired in the form of electricity, heat, steam, or cooling sourced from fossil fuels and used in the company's operations. This energy includes that which is purchased from external providers and used in the company's operations.
Percentage of energy consumption from nuclear sources in total energy consumption (GJ)	This indicator represents the percentage of total energy consumption that is sourced from nuclear energy.
Percentage of renewable sources in total energy consumption (GJ)	This indicator represents the percentage of total energy consumption that is sourced from renewable energy sources.
Percentage of fossil sources in total energy consumption (GJ)	This indicator represents the proportion of total energy consumed by the Company that is derived from fossil fuels.
Total annual energy saving (GJ)	This indicator represents the total amount of energy saved from applied energy efficiency projects by the Company across all operations in the relevant reporting period, measured in GJ (Gigajoules).
Financial saving from energy efficiency projects (TRY)	Represents the financial savings in Turkish Lira (TRY) obtained from energy efficiency projects.
Financial saving from renewable energy projects (TRY)	Represents the financial savings in Turkish Lira (TRY) obtained from renewable energy projects.
Total annual financial energy saving (TRY)	Represents the total annual energy savings achieved during the relevant reporting period, expressed in Turkish Lira (TRY).

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Energy	
Non-renewable energy production (GJ)	Not Applicable (NA)
Renewable energy production (GJ)	This indicator represents the amount of electricity generated by the company from its on-site solar power plants, as well as the electricity production from the ground-mounted solar power plants located in Aksaray and Kayseri.
Ratio of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions (%)	This indicator represents the ratio of the company's total purchase of energy bundled with attributes to the total of energy consumption in relation to Scope 2 GHG emissions.
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions (%)	This indicator represents the ratio of the company's total purchase of energy unbundled with attributes to the total of energy consumption in relation to Scope 2 GHG emissions.
Total non-renewable energy consumption (MWh) (A)	This indicator represents the total amount of energy consumed by the company that is derived from non-renewable sources. It includes energy from fossil fuels such as natural gas, fuel oil, CNG, LPG, LNG diesel, gasoline and non-renewable electricity.
Total renewable energy consumption (MWh) (B)	This indicator represents the total amount of energy consumed by the company that is derived from renewable sources. It includes energy from renewable sources as solar, wind, hydropower, geothermal, bioethanol, biodiesel, biomass.
Total energy consumption (MWh) (A+B)	The sum of Total non-renewable energy consumption and Total renewable energy consumption.
Net revenue used to calculate Energy intensity (TRY million)	This amount represents the company's total net revenue generated during the reporting period, expressed in million Turkish Lira (TRY).
Energy intensity (Total energy consumption/Revenue) (MWh/TRY million)	It represents the total amount of energy consumed for every one million Turkish Lira (TRY) of revenue.
Energy intensity of direct energy (GJ/TRY million)	Direct energy intensity (GJ / million TRY) refers to the amount of direct energy consumed for every one million Turkish Lira (TRY) of revenue.
Energy intensity of indirect energy (GJ/TRY million)	Indirect energy intensity (GJ / million TRY) refers to the amount of indirect energy consumed for every one million Turkish Lira (TRY) of revenue.
Water	
Water Withdrawal by Source (m^3)	This indicator represents the total volume of water withdrawn by the organization. The Company, categorized by source. It includes water sourced from third-party municipal supplies, third-party water tankers, groundwater extraction, surface water and rainwater collection.
Third party sources - Municipal water	This includes potable water provided by municipal water suppliers,
Third party sources - Water tanker	This includes potable water provided by public or private utilities from freshwater sources.
Groundwater	This includes groundwater that can be recovered from underground.
Surface Water	This includes water that withdrawn from a source of surface water.

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Water	
Rainwater	Precipitation captured within the site boundary and harvested for use to supplement potable water.
Total water withdrawal	It includes the sum of municipal water, water tanker, groundwater, surface water, other water and rainwater. Other water is included to total water calculation.
Total water discharge (m^3)	The total water leaving the Company's boundary and being released surface water, groundwater and third parties during the reporting year. The Company discharges only third-party destinations.
Fresh surface water	The water leaving the company's boundary and being released to surface water during the reporting year.
Groundwater	The water leaving the company's boundary and being released to groundwater during the reporting year.
Third-party destinations (municipal sewage line connected to municipal/industrial wastewater treatment plant)	The water leaving the company's boundary and being released to third parties during the reporting year. The company discharges only third-party destinations.
Total water consumption (m^3)	Total water withdrawal represents the water consumption calculated by subtracting the amount of wastewater discharge from the total amount of water withdrawn by the company during its operations.
Net revenue used to calculate Water intensity (TRY million)	This amount represents the company's total net revenue generated during the reporting period, expressed in million Turkish Lira (TRY).
Water Withdrawal Intensity (m^3/TRY million)	Water withdrawal intensity represents the ratio of water withdrawal (m^3) to total revenue in TRY.
Water Pollutants (tonnes)	This indicator represents the total mass of water pollutants discharged by the organization, measured in tonnes. It includes key parameters such as Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), Oil and Grease, Nitrites (NO_2-N), and heavy metals including Chromium, Lead (Pb), Cadmium (Cd), and Nickel (Ni). The reported values provide a comprehensive assessment of the organization's impact on water quality and are measured in accordance with applicable environmental standards and regulations.
Total Chemical Oxygen Demand (COD)	COD represents the annual total COD amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.
Total Suspended Solid (TSS)	TSS represents the annual total suspended solids amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.
Total Oil and Grease	Oil and grease represents the annual total oil and grease amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.
Total Nitrites (NO2-N)	Total nitrites represents the annual total nitrites amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.
Total Chromium	Total chromium represents the annual total chromium amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.
Total Lead (Pb)	Total lead represents the annual total lead amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.
Total Cadmium (Cd)	Total cadmium represents the annual total cadmium amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.

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Water	
Total Nickel (Ni)	Total nickel represents the annual total nickel amount in the wastewater generated as a result of the Company's operations during the reporting period and discharged to third party destinations.
Water Pollutant Intensity (tonnes/TRY million)- Total Chemical Oxygen Demand (COD)	Water pollutant intensity represents the COD value to total revenue.
Water recycled and reused (m^3)	Recycled water refers wastewater that has undergone treatment processes to meet specific quality standards.
Recycled and reused water ratio (%)	The recycled and reused water ratio represents recycled and reused water (m^3) divided by total water withdrawals (m^3).
Areas with Water Stress	
Water withdrawal from "high" water stress locations (m^3)	Water withdrawal from high water stress locations represents the amount of water withdrawn from areas of "high" water stress according to the WRI Aqueduct Water Risk Atlas.
Rate of water withdrawal from "high" water stress locations compared to total water withdrawal	Rate of water withdrawal from "high" water stress locations compared to total water withdrawal represents ratio of amount of water withdrawn from areas of high water stress according to the WRI Aqueduct Water Risk Atlas to total water withdrawal.
Water discharge at "high" water stress locations (m^3)	Water discharge at "high" water stress locations represents the amount of water discharged to areas of high water stress according to the WRI Aqueduct Water Risk Atlas.
Rate of water discharge at "high" water stress locations compared to total water discharge	Rate of water discharge at "high" water stress locations compared to total water discharge represents ratio of amount of water discharged at areas of high water stress according to the WRI Aqueduct Water Risk Atlas to total water discharge.
Water consumption at "high" water stress locations (m^3)	Water consumption at "high" water stress locations represents the amount of water consumption at areas of high water stress according to the WRI Aqueduct Water Risk Atlas.
Rate of water consumption at "high" water stress locations compared to total water consumption	Rate of water consumption at "high" water stress locations compared to total water consumption represents ratio of amount of water consumption at areas of high water stress according to the WRI Aqueduct Water Risk Atlas to total water consumption.
Water withdrawal from "extremely high" water stress locations (m^3)	Water withdrawal from "extremely high" water stress locations represents the amount of water withdrawal at areas of high or extremely high baseline water stress according to the WRI Aqueduct Water Risk Atlas.
Rate of water withdrawal from "extremely high" water stress locations compared to total water withdrawal	Rate of water withdrawal at "extremely high" water stress locations compared to total water withdrawal represents ratio of amount of water withdrawn at areas of extremely high water stress according to the WRI Aqueduct Water Risk Atlas to total water withdrawal.
Water discharge at "extremely high" water stress locations (m^3)	Water discharge from "extremely high" water stress locations represents the amount of water discharge at areas of extremely high baseline water stress according to the WRI Aqueduct Water Risk Atlas.
Rate of water discharge at "extremely high" water stress locations compared to total water discharge	Rate of water discharge at "extremely high" water stress locations compared to total water discharge represents ratio of amount of water discharged at areas of extremely high water stress according to the WRI Aqueduct Water Risk Atlas to total water discharge.
Water consumption at "extremely high" water stress locations (m^3)	Water consumption at "extremely high" water stress locations represents the amount of water consumption at areas of high water stress according to the WRI Aqueduct Water Risk Atlas.
Rate of water consumption at "extremely high" water stress locations compared to total water consumption	Rate of water consumption at "extremely high" water stress locations compared to total water consumption represents ratio of amount of water consumption at areas of extremely high water stress according to the WRI Aqueduct Water Risk Atlas to total water consumption.

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Areas with Water Stress	
Total water consumption in areas at water risk (m^3)	Amount of water withdrawn from water risk areas such as high and extremely high risk.
Financial saving from water efficiency projects	Represents the financial savings in Turkish Lira (TRY) obtained from water efficiency projects.
Financial saving from rainwater harvesting projects	Represents the financial savings in Turkish Lira (TRY) obtained from rainwater harvesting projects.
Total water stored	Total water stored refers to the cumulative volume of water retained in natural or artificial reservoirs
Changes in storage	Changes in storage refer to the variation in the volume of water held within a defined system (such as a watershed, reservoir, or aquifer) over a specific period.
Waste	
Total hazardous waste disposal (tonnes)	Total hazardous waste disposal represents the total amount of hazardous waste subjected to “Recovery” (R codes) and “Disposal” (D codes) disposal methods during the reporting period.
Total Non-hazardous waste (tonnes)	Total non- hazardous waste disposal represents the total amount of hazardous waste subjected to “Recovery” (R codes) and “Disposal” (D codes) disposal methods during the reporting period.
Total Waste (tonnes)	Total waste represents the total amount of hazardous and non-hazardous wastes generated as a result of the activities carried out by the Company operations during the reporting period.
Total amount of radioactive waste (tonnes)	Total amount of radioactive waste refers to the cumulative quantity of waste materials that contain radioactive substances.
Hazardous waste directed to disposal (tonnes)	This indicator represents the total quantity of hazardous waste directed to disposal, measured in tonnes. It includes waste sent to recovery processes, incineration with and without energy recovery, landfill, and other disposal operations. The indicator further distinguishes between hazardous waste disposed of onsite and offsite, providing a comprehensive overview of the organization’s hazardous waste management practices in accordance with relevant environmental regulations and reporting standards.
Hazardous waste diverted from disposal due to preparation for reuse (tonnes)	The quantity of hazardous waste that has been prevented from being disposed of through processes that prepare the material for reuse without further treatment.
Hazardous waste diverted from disposal due to recycling (tonnes)	The amount of hazardous waste that is prevented from being disposed of by undergoing a recycling process.
Hazardous waste diverted from disposal due to other recovery operations (tonnes)	The amount of hazardous waste that is prevented from disposal by undergoing recovery processes other than recycling.
Non-hazardous waste directed to disposal (tonnes)	This indicator represents the total quantity of non-hazardous waste directed to disposal, measured in tonnes. It includes waste sent to recovery processes, incineration with and without energy recovery, landfill, and other disposal operations. The indicator also differentiates between non-hazardous waste disposed of onsite and offsite, offering a comprehensive overview of the organization’s non-hazardous waste management in line with applicable environmental standards and reporting frameworks.
Non-hazardous waste diverted from disposal due to preparation for reuse (tonnes)	The quantity of non- hazardous waste that has been prevented from being disposed of through processes that prepare the material for reuse without further treatment.
Non-hazardous waste diverted from disposal due to recycling (tonnes)	The amount of non - hazardous waste that is prevented from being disposed of by undergoing a recycling process.
Non-hazardous waste diverted from disposal due to other recovery operations (tonnes)	The amount of non- hazardous waste that is prevented from disposal by undergoing recovery processes other than recycling.

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Areas with Water Stress	
Hazardous waste intensity (tonnes/TRY million)	Hazardous waste intensity represents the hazardous waste amount value to total revenue in TRY.
Non-hazardous waste intensity (tonnes/TRY million)	Non-hazardous waste intensity represents the non-hazardous waste amount value to total revenue in TRY.
Total waste intensity (tonnes/TRY million)	Total waste intensity represents the sum of non-hazardous waste intensity and hazardous waste intensity in TRY.
Ratio of non-recycled waste (%)	In the ratio of non-recycled waste calculation, the domestic waste amount is excluded. The scope of this calculation includes waste to incineration without energy recovery, waste to landfill and waste to other disposal operations.
Total non-recycled waste (tonnes)	It includes total amount of non-recycled waste.
Total waste prevented annually	Waste prevented annually amount includes waste projects' prevented amounts in tonnes.
Financial saving from waste projects	It includes financial saving amount that comes from waste projects.
Other Environmental Related KPIs	
Investments and expenditures for environmental resource efficiency in production and product - CapEx	Indicates capital expenses the entity has made on environmental resource efficiency projects related to production and product, such as renewable energy, energy-efficient production lines, green buildings, and environmental infrastructure within the reporting year.
Investments and expenditures for environmental resource efficiency in production and product - OpEx	Indicates operational expenses the entity has made on environmental resource efficiency projects related to production and product, such as waste management, water treatment, employee costs, certifications, consulting, maintenance, and environmental training within the reporting year.
Investments and expenditures for environmental resource efficiency in production and product - Total	Indicates the total expense the entity has made on environmental resource efficiency projects in production and product areas within the reporting year.
Investments and expenditures for environmental resource efficiency in Research and Development (R&D) - CapEx	Represents the capital expenses the entity has made on environmental resource efficiency R&D including projects targeting reduced environmental impacts through improved product design, material efficiency, and sustainability performance within the reporting year.
Investments and expenditures for environmental resource efficiency in Research and Development (R&D) - OpEx	Represents the operational expenses the entity has made on environmental resource efficiency R&D including projects targeting reduced environmental impacts through improved product design, material efficiency, and sustainability performance within the reporting year.
Investments and expenditures for environmental resource efficiency in Research and Development (R&D) - Total	Represents the total expense the entity has made on environmental resource efficiency R&D within the reporting year.
Environmental Expenditure and Investments – Grand Total	Shows the total expense the entity has made on environmental investments and expenditure- both on production and products and R&D within the reporting year.

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Energy Efficient Products	
Percentage of eligible products certified under the ENERGY STAR® program	Represents the unit-based ratio of ENERGY STAR® certified products to all eligible product categories.
Percentage of eligible products by revenue certified to the ENERGY STAR® program	Indicates the revenue-weighted percentage of ENERGY STAR® certified products among eligible product categories.
Percentage of total revenue from energy efficient products	Shows the ratio of revenue generated from all energy efficient products to total revenue.
Percentage of energy-efficient product (by unit count)	Shows the ratio of all energy efficient products to total product unit count within the defined 11 product categories.
Percentage of eligible products by revenue certified to an energy efficiency certification	Shows the ratio of revenue generated from all products that meet the energy efficiency requirements set by recognized certification programs to total revenue.
List of applicable jurisdictional or international certification programmes	The relevant energy efficiency certification programs applicable in each country for product categories
Resource Efficient Products	
Percentage of total revenue from products that included recycled and/or bio composite plastic materials	This indicator refers to the proportion of total revenue derived from products that incorporate recycled plastics and/or bio-based composite plastic materials as part of their composition; to total revenue.
Percentage of total revenue from reduced raw materials (resource efficiency) in products and packaging	This metric measures the percentage of revenue attributed to products and packaging designed with reduced raw material inputs, in line with resource efficiency strategies; to total revenue.
Recycled Material	
Total recycled plastics used for products (tonnes)	Indicates the total amount of recycled plastic materials used in the production of products during the reporting period.
Description of efforts to manage products' end-of-life impacts	Indicates the actions taken by the entity in order to lessen the environmental impact of the product's end-of-life phase.
Low Carbon Products	
Percentage of total revenue from low carbon products	Share of total revenue generated from products that are designed to have a lower carbon footprint compared to conventional alternatives.
Annual production by Product Categories	This metric represents the number of products from each category (white goods, consumer electronics, other) produced within the reporting period.
Environmental Product Lifecycle Standard	
Percentage of eligible products by revenue certified to an environmental product lifecycle standard	Indicates the ratio of the revenue of products with an environmental product lifecycle standard certification to total revenue.
List of applicable jurisdictional or international certification programmes	The relevant environmental product lifecycle standard certification programs applicable in each country for product categories

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Environmental Product Lifecycle Standard	
Percentage of revenue from products certified with Type I eco-labels (ISO 14024)	Shows the ratio of the revenue of products with a Type I eco-label certification; to total revenue.
Workforce, Talent Attraction and Retention	
Number of Employees (FTE at the end of year) by Employment Type	In the reporting period, this indicator refers to the total number of employees categorized by gender and employment type, such as full-time, part-time, monthly paid, hourly paid, permanent and temporary, and subcontracted staff. The classification is based on formal employment agreements and is monitored through the Human Resources data system. The figures reflect the workforce distribution as of the end of the reporting period. (full time employees are counted as 1, part time employees are counted as 0.5)
Number of Employees (FTE by the end of year) by Region	In the reporting period, this indicator refers to the total number of employees categorized by employment type and region. The data is monitored through the Human Resources data system and reflects the distribution workforce by region as of the end of the reporting period. (full time employees are counted as 1, part time employees are counted as 0.5)
Number of Employees (head count) by country	In the reporting period, this indicator refers to the total number of employees categorized by its country. The data is based on records maintained in the Human Resources system and reflects the distribution of the workforce by country as of the end of the reporting period
Employees by Gender (headcount)	In the reporting period, this indicator refers to the total number of employees categorized by gender. The data is based on records maintained in the Human Resources system and reflects the distribution of the workforce by gender as of the end of the reporting period.
Employees Newly Hired by Gender	In the reporting period, this indicator refers to the number of newly hired employees categorized by gender. The classification is based on Human Resources data and includes all new hires during the reporting year.
Employees Newly Hired by Positions	In the reporting period, this indicator refers to the number of newly hired employees by position level and gender, including junior or low-level management, middle-level management, senior or top-level management. The data reflects new hires during the period, as recorded in the Human Resources system.
Employees Newly Hired by Region and Gender	In the reporting period, this indicator refers to the number of newly hired employees by region and gender. The data reflects new hires during the period, as recorded in the Human Resources system.
Open positions filled by internal candidates (internal hires)	In the reporting period, this indicator refers to the number of open positions that were filled by internal candidates within the organization. The data is based on records maintained in the Human Resources system.
Employees Internal Hired by Gender	In the reporting period, this indicator refers to the number of internal hires categorized by gender. The data includes all internal transfers or promotions recorded in the Human Resources system during the period.
Employees Internal Hired by Positions	In the reporting period, this indicator refers to the number of internal hires by position level, including junior or low-level management, middle-level management, and senior or top-level management. The data is based on Human Resources records and includes all relevant internal movements.
Employees promoted by gender	In the reporting period, this indicator refers to the percentage of employees by gender who were promoted to a higher position within the organization. The data is based on records from the Human Resources system.
Employee Turnover Rates	In the reporting period, this indicator refers to the percentage of employees who left the organization for any reason, including both voluntary and involuntary separations. Additionally, it is categorized by region. The data is based on records in the Human Resources system.

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Workforce, Talent Attraction and Retention	
Total Employee Turnover Rate	In the reporting period, this indicator refers to the percentage of employees who left the organization for any reason, including both voluntary and involuntary separations. The data is reported by gender, age group, and position level. Age groups are defined as under 30 years old, 30–50 years old (including 30 and 50), and over 50 years old. Position levels are categorized as junior/low-level management, middle-level management, and senior/top-level management. The data is based on records in the Human Resources system.
Total Employee Turnover Rate by Region	In the reporting period, this indicator refers to the percentage of employees who left the organization for any reason, including both voluntary and involuntary separations. The data is reported by gender, age group, and position level. Age groups are defined as under 30 years old, 30–50 years old (including 30 and 50), and over 50 years old. Position levels are categorized as junior/low-level management, middle-level management, and senior/top-level management. The data is reported by region and is based on records in the Human Resources system.
Voluntary Employee Turnover Rate	In the reporting period, this indicator refers to the percentage of employees who voluntarily left the organization. The data is reported by gender, age group, and position level. Age groups are defined as under 30 years old, 30–50 years old (including 30 and 50), and over 50 years old. Position levels are categorized as junior/low-level management, middle-level management, and senior/top-level management. The data is based on records from the Human Resources system.
Involuntary Employee Turnover Rate	In the reporting period, this indicator refers to the percentage of employees who left the organization due to involuntary reasons. The data is reported by gender, age group, and position level. Age groups are defined as under 30 years old, 30–50 years old (including 30 and 50), and over 50 years old. Position levels are categorized as junior/low-level management, middle-level management, and senior/top-level management. The data is based on records from the Human Resources system.
Number of Employees Who Left	In the reporting period, this indicator refers to the total number of employees whose layoff was officially announced by the organization including both voluntarily and involuntarily separation. The data is obtained from the Human Resources records.
Employees by Working Years	This indicator refers to the distribution of employees based on their tenure with the Company. It includes the number of employees who have been working for a period of 0–5 years, 5–10 years, and more than 10 years by gender. Additionally, the indicator presents the average seniority (in years) among employees. The data is derived from Human Resources records and reflects the duration of employment as of the end of the reporting period.
Diversity and Inclusion	
Employees by Gender (FTE)	In the reporting period, this indicator refers to the total number of employees grouped by gender categories, The classification is based employee data available in the Human Resources data system and reflects the workforce distribution as of the end of the reporting period. (full time employees are counted as 1, part time employees are counted as 0.5)
Employees by Age (FTE)	In the reporting period, this indicator refers to the total number of employees grouped by age categories, specifically: under 30 years old, 30 to 50 years old (including 30 and 50), and over 50 years old. The classification is based on age data available in the Human Resources data system and reflects the workforce distribution as of the end of the reporting period. (full time employees are counted as 1, part time employees are counted as 0.5)
Gender Equality by Positions (FTE)	In the reporting period, this indicator refers to the gender distribution within the total workforce and across various hierarchical and functional positions. These include all management levels (junior, middle, and senior management), junior management positions (first level of management), top management positions (maximum two levels away from the CEO or comparable roles), and management roles in revenue-generating functions such as sales. Additionally, it covers revenue-generating functions, entry-level positions, STEM-related positions, IT positions, engineering positions, and subcontracted employees. The data is derived from the Human Resources system and reflects the composition of the workforce in each respective category. (full time employees are counted as 1, part time employees are counted as 0.5)
Workforce by Nationality (FTE)	In the reporting period, this indicator refers to the distribution of the total workforce by nationality. The data is presented as percentages and reflects the composition of nationalities within the organization. The data is based on the Human Resources system. (full time employees are counted as 1, part time employees are counted as 0.5)

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Diversity and Inclusion	
All Management Workforce by Nationality	In the reporting period, this indicator refers to the distribution of employees in all management positions by nationality. Management positions include junior, middle, and senior levels. The data is presented as percentages and is based on the Human Resources system.
Living Wage Indicators	The Living Wage is the minimum level of pay that enables an employee to meet their basic needs and maintain a decent standard of living.
Gender Pay Indicators	
Salaries by Level	This indicator provides an overview of average base salaries and total compensation by job level, including executive, managerial, and non-managerial roles. Data is presented separately for women and men and includes a basic comparison of pay between genders.
Gender Pay Gap Metrics	This indicator shows the overall difference in average pay between women and men. It includes both general pay gap figures and a broad comparison of average earnings.
Other Gender Pay Gap Metrics	This indicator outlines the representation of women across different pay levels. It includes the share of women among top earners and their distribution across compensation ranges. It also reflects gender-based comparisons for entry-level wages relative to local minimum wage.
Training & Development	
Total hours of training for employees	In the reporting period, this indicator refers to the total number of hours spent on training activities for all employees. It represents the sum of all training durations attended by employees throughout the year. The data is based on records from the Human Resources system.
Average hours of training and development per FTE	In the reporting period, this indicator refers to the average number of hours of training provided per full-time employee (FTE). It is calculated by dividing the total number of training hours by the total number of FTE. The data is based on records from the Human Resources system.
Average amount spent per FTE on learning and development (TRY)	In the reporting period, this indicator refers to the average expenditure in Turkish Lira per full-time equivalent (FTE) employee for learning and development activities. It includes costs associated with training content, tools, platforms, and participation fees. The data is based on financial records and Human Resources systems.
Average Hours of Training & Development	In the reporting period, this indicator refers to the average number of training and development hours attended by employees, categorized by gender, age group, and management level. Management levels include junior/low-level management, middle-level management, and senior/top-level management. The data is based on Human Resources records.
Average Hours of Trainings by Subjects - Employees	In the reporting period, this indicator refers to the average number of training hours received by employees in specific subject areas such as: Environment, Energy, Health & Safety, Ethics, Sustainability, Chemicals, Regulations, Diversity, Equity & Inclusion (D&I), sustainability, environment, health and safety, and ethics. The data is based on Human Resources records.
Average Hours of Training by Development Category	In the reporting period, this indicator refers to the average number of training hours categorized by development type, including Orientation, Purpose-Driven Programs, Competency Development, Leadership Development, Capability Development (Technical & Functional) orientation, competency development, leadership, and capability development. The data is based on Human Resources records.
Performance Evaluation	In the reporting period, this indicator refers to the number of employees who were subject to regular performance and career development evaluations, as part of the organization's talent management processes. It also includes employees covered by multidimensional performance appraisal systems. The data is based on records from the Human Resources system.

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Occupational Health and Safety Indicators	
OHS Indicators of Employees	
Total working hours	In the reporting period, this indicator refers to the total number of hours worked by Company employees. The data is used for occupational health and safety performance metrics and is based on Human Resources records.
The number of work-related fatalities	This indicator reflects the number of employee deaths that occurred as a direct result of work-related incidents. The data is based on officially reported occupational accident records.
The number of work-related injuries reported while working for the Company (incl. at least a working day lost injuries)	This indicator includes injuries sustained by employees during work duties that resulted in at least one day of work loss. The data is derived from occupational health and safety incident records.
Rates of OHS Indicators for Employees	
Lost Time Injury Frequency Rate	This indicator measures the frequency of work-related injuries that cause employees to lose at least one working day. It is calculated per 1,000,000 working hours and reflects the rate of significant incidents. The data is derived from occupational health and safety records.
OHS Indicators of Contractors	
Total working hours	In the reporting period, this indicator refers to the total number of hours worked by contractors while performing duties within the Company's premises or on behalf of the Company. The data is used for occupational health and safety performance calculations and is based on contractor declarations and site records.
The number of work-related fatalities	This indicator reflects the number of contractor employee deaths that occurred as a direct result of work-related incidents within the scope of their duties for the Company. The data is based on officially reported accident records.
The number of injuries reported while working for the Company (incl. at least a working day lost injuries)	This indicator includes injuries sustained by contractors during assigned duties that resulted in at least one day of work loss. The data is derived from occupational health and safety incident records.
Rates of OHS Indicators for Contractors	
Lost Time Injury Frequency Rate	This indicator measures the frequency of injuries among contractors that caused at least one lost working day, per 1,000,000 official working hours. The data is based on incident reports submitted by contractors and verified by the Company.
OHS Indicators of Employees and Contractors	
Total working hours	This indicator refers to the total number of official working hours completed by both employees and contractors within the reporting period. It serves as the basis for calculating frequency-based OHS metrics and is sourced from time-tracking and Human Resources systems.
The number of work-related fatalities	This indicator shows the total number of fatalities resulting directly from work-related incidents involving employees or contractors. The data is collected from occupational accident reports and official records.
The number of injuries reported while working for the Company (incl. at least a working day lost injuries)	This indicator represents the total number of injuries that resulted in at least one lost working day, involving either employees or contractors during work-related activities. The data is collected from incident reports and occupational safety systems.

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Rates of OHS Indicators for Employees and Contractors	
Lost Time Injury Frequency Rate	This rate reflects the number of work-related injuries that caused at least one lost working day per 1,000,000 total official working hours. It includes all reported cases from both employees and contractors and is calculated using data from occupational health and safety systems.
Supplier Screening	
Total number of significant suppliers in Tier-1	Refers to the total number of Tier-1 suppliers that are identified as significant due to the scale, strategic importance, or risk level associated with their operations.
Percentage of total purchasing volume on significant suppliers in Tier-1	Cumulative purchasing volume (as a percentage of total spend) from Tier-1 suppliers classified as “significant”. Indicates the share of the total purchasing volume that is allocated to Tier-1 suppliers classified as significant.
Total number of significant suppliers in Tier-2	Represents the total number of significant Tier-2 suppliers, which are the suppliers of the Company’s direct suppliers.
Supplier ESG Assessment	Denotes whether and how the Company assesses its suppliers against environmental, social, and governance (ESG) criteria. This includes methods, scope, and frequency.
Unique significant Tier-1 suppliers assessed	Number of distinct Tier-1 significant suppliers that have undergone the ESG assessment. ESG assessment denotes whether and how the Company assesses its suppliers against environmental, social, and governance (ESG) criteria. This includes methods, scope, and frequency.
Unique significant Tier-2 suppliers assessed	Number of Tier-2 suppliers assessed with the ESG assessment. Tier-2 suppliers are those who provide goods or services to the Company’s direct suppliers.
Supplier Assessment Findings	Referring to the number and types of findings identified during supplier audits or assessments, especially regarding ESG compliance.
Unique significant suppliers with substantial potential/actual negative impacts	Number of distinct Tier-1 significant suppliers identified with medium or high ESG risk scores
Unique significant suppliers with substantial potential/actual negative impacts supported in corrective action plan implementation	Number of significant suppliers identified with medium or high ESG risk scores and for which corrective action plans have been initiated.
Supplier Development Programs	Includes supplier trainings, webinars, capacity building activities, quality assessments, business ethics evaluations, and ESG audits.
Unique significant suppliers in capacity building programs	Refers to the suppliers that completed online trainings.
EU Taxonomy	
EU Taxonomy-eligible CapEx in 2024 financial year (TRY amount & % proportion of total)	Arçelik is committed to reporting its capital expenditures (CapEx) that align with the Climate Change Mitigation and Circular Economy objectives specified in the EU's Authorized Law for Economic Activities. This report encompasses total CapEx dedicated to activities that fulfill the "significant contribution" and "no significant harm" criteria for the 2024 financial year, highlighting both the TRY amount and its percentage proportion of total expenditures.
Among the EU Taxonomy-eligible CapEx, aligned TRY amount & proportion	Among the capital expenditures (CapEx) eligible under the EU Taxonomy, the aligned TRY amount refers to the total value of investments that comply with the EU's sustainability criteria, while the proportion indicates the percentage of these investments relative to the overall CapEx.

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EU Taxonomy	
EU Taxonomy-eligible OpEx in 2024 financial year (TRY amount & % proportion of total)	Arçelik is committed to reporting its operational expenditures (OpEx) that align with the Climate Change Mitigation and Circular Economy objectives specified in the EU's Authorized Law for Economic Activities. This report encompasses total OpEx dedicated to activities that fulfill the "significant contribution" and "no significant harm" criteria for the 2024 financial year, highlighting both the TRY amount and its percentage proportion of total R&D expenditures.
Among the EU Taxonomy-eligible OpEx, aligned TRY amount & proportion	Among the operational expenditures (OpEx) eligible under the EU Taxonomy, the aligned TRY amount represents the total value of operational costs that meet the EU's sustainability criteria, while the proportion indicates the percentage of these costs in relation to the overall R&D OpEx.
EU Taxonomy-eligible Turnover in 2024 financial year (TRY amount & % proportion of total)	Arçelik reports on activities aligned with the Climate Change Mitigation and Circular Economy objectives outlined in the EU's Authorized Law for Economic Activities. This includes total turnover earned from activities meeting the "significant contribution" and "no significant harm" criteria for the year.
Among the EU Taxonomy-eligible Turnover, aligned TRY amount & proportion	Arçelik is dedicated to reporting its turnover that qualifies under the EU Taxonomy, focusing on revenue generated from activities aligned with the Climate Change Mitigation and Circular Economy objectives set forth in the EU's Authorized Law for Economic Activities. This KPI details the total aligned TRY amount and its percentage proportion of the overall turnover, reflecting the Company's commitment to sustainable practices and compliance with EU sustainability criteria.

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ARÇELIK DOUBLE MATERIALITY METHODOLOGY AND IMPLEMENTATION PRINCIPLES

The double materiality analysis methodology is developed in alignment with

the disclosure requirements of the European Sustainability Reporting Standards (ESRS) and

follows the approach recommended by the European Financial Reporting Advisory Group (EFRAG) and presents a matrix with impact (inside-out) materiality on the X-axis and financial (outside-in) materiality on the Y-axis.

The process begins with a single materiality analysis, where the sustainability team identifies relevant topics by gathering insights from various sources, including news, regulatory updates, local and international standards, academic studies, and industry reports. A list of 20 sustainability-related topics is defined based on their relevance to the business. Stakeholder surveys are conducted with various groups, such as customers, employees, and investors, to rate the importance of these topics on a 5-point scale. The data from these surveys are consolidated, assigning a 70% weight to Chief Executive Officers' responses and 30% to internal and external stakeholder responses to reflect strategic oversight.

The final single materiality ranking is established based on these consolidated scores, which then informs the double materiality analysis. This analysis evaluates sustainability issues based on their financial impact (outside-in) and the Company's impact on society and the environment (inside-out), scoring each of the 20 topics according to financial and impact materiality criteria. Impact materiality assesses the Company's effects on the environment and society, considering scale, scope, and remediability, while financial materiality focuses on sustainability-related risks and opportunities affecting financial performance, analyzing resource use and reliance on relationships. Topics are classified as double material (high financial and impact scores), financial material (high financial score, low impact score), impact material (high impact score, low financial score), or non-material (low scores in both categories).

The results are compiled into a double materiality matrix for visual representation. Additionally, dynamic materiality involves ongoing reassessment of material issues, recognizing that their significance can change over time due to shifts in stakeholder expectations and regulatory changes, ensuring that the analysis remains relevant in a changing landscape.

EU TAXONOMY

The EU Taxonomy Regulation (EU 2020/852), alongside its associated Delegated Acts, introduces a classification framework to identify which economic activities can be considered environmentally sustainable. The regulation requires companies to disclose the extent to which their operations are associated with taxonomy-eligible and taxonomy-aligned activities, based on three key performance indicators: turnover, capital expenditure (CapEx), and operating expenditure (OpEx).

Although Arçelik is not yet formally subject to the Corporate Sustainability Reporting Directive (CSRD), the Company voluntarily reports in line with the EU Taxonomy requirements. This effort, initiated in 2022, continues in 2024 with enhanced methodological precision, aligned with Delegated Acts EU 2021/2139, EU 2021/2178, EU 2022/1214, and EU 2023/2486.

In 2024, Arçelik reviewed its operations in the context of two environmental objectives of the EU Taxonomy: Climate Change Mitigation (CCM) and the Transition to a Circular Economy (CE). Under the CCM objective, the Company's eligible economic activities include the manufacture of energy-efficient household appliances (such as refrigerators, washing machines, and air conditioners), These products qualify if they belong to the top two populated energy classes established under Regulation (EU) 2017/1369. Additionally, heat pumps compliant with the technical screening criteria set out in Section 4.16 of EU Taxonomy Regulation Annex.

Product eligibility is assessed based on markets where EU energy labelling schemes are in force. These include EU Member States, Türkiye, Great Britain, Norway, Switzerland, Iceland, Ukraine, Israel, and the Western Balkan countries. Products must be sold under Arçelik's own brands to be considered eligible. Sales under third-party brands, or in countries not applying harmonized energy labelling, are excluded from both eligibility and alignment.

Activities under the Circular Economy objective — such as manufacturing of electrical and electronic equipment, repair, resale, and refurbishment — were considered relevant, but were not reported as aligned in 2024 due to current products not meeting the strict alignment criteria. For instance, requirements such as free warranty extensions, modular design for easy dismantling, and minimum recycled content thresholds were not sufficiently met. Although some products may conceptually contribute to both the CCM and CE objectives, reporting is done under only one environmental objective to avoid double counting.

ANNEX 2. REPORTING PRINCIPLES

The methodology for calculating EU Taxonomy KPIs was refined in 2024 to improve accuracy and regulatory compliance.

For turnover, revenue from eligible and aligned products sold under Arçelik's own brands in applicable markets was included. A structured Excel-based system linked to historical product data and energy labels was used. Despite the availability of an automated tool, the 2024 calculation involved manual validation of label classifications. Energy class data was retrieved from the Product Master Data Management system, which also supplies product information across Arçelik's websites and technical documentation.

For CapEx, it was not possible to isolate investment by product category. Therefore, a proportional allocation method based on eligible turnover was applied. In cases where production facilities served multiple product lines (e.g., small household appliances), an adjusted allocation key was used. Capital expenditures were derived from the sum of tangible and intangible fixed assets, distinguished by facility and subsidiary. In certain instances, such as consolidated reporting for subsidiaries producing HVAC units, direct assignment of CapEx figures was not feasible.

In the case of OpEx, the calculation was narrowed to include only material cost-related expenditures. R&D spending remained the principal eligible operational expenditure category, while general administrative and marketing expenses were excluded due to their immateriality under the EU Taxonomy framework. The denominator for OpEx was turnover-based, and aligned costs were determined by applying distribution keys consistent with product-level sales volumes.

In all three KPIs, only product sales that met EU energy labelling standards and were traceable to Arçelik's own brands in eligible markets were included. The methodology ensured that alignment assessments were transparent and consistently applied. WordPol software was used to support reporting automation. Where necessary, manual adjustments were applied and clearly flagged in the supporting Excel documentation. Verification records, including energy label screenshots, are archived and available upon request.

DO NO SIGNIFICANT HARM (DNSH) AND MINIMUM SAFEGUARDS

Arçelik ensured that its taxonomy-aligned economic activities meet the DNSH criteria under the remaining environmental objectives: climate change adaptation, water and marine resources, circular economy, pollution prevention, and biodiversity. These evaluations were based on internal controls and scenario-based environmental risk assessments.

The Company also confirmed compliance with minimum social safeguards, through alignment with international frameworks such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Fundamental Principles and Rights at Work, the UN Global Compact, and the Universal Declaration of Human Rights. These principles are embedded in Arçelik's Code of Conduct and corporate sustainability policies and apply to all operations, including those considered under the EU Taxonomy framework.

Integration of Environmental Risk and ESG Objectives

Climate-related and other ESG risks are integrated into Arçelik's enterprise risk management system. These risks are identified and evaluated using global, regional, and sectoral trends, climate scenarios, and stakeholder inputs. Water risk assessments are conducted using tools such as the WRI Aqueduct Water Risk Atlas. Circular economy goals are pursued through innovations in recycled content, product reparability, and waste management.

Pollution risks are addressed via compliance with the Arçelik Chemical Conformity Specification, and biodiversity risks are evaluated and mitigated through site-level assessments and operational controls.

Data Preparation

SUSTAINABILITY TARGETS - IN TOUCH WITH PLANET

The progress is only reported for emission-related targets with 2022 as the base year. The other formulas are used for base year calculations only.

Reduce absolute Scope 1-2 GHG emissions approved by the SBTi

2024 progress (%) = (Scope 1&2 emissions in 2024 - Scope 1&2 emissions in base year 2022) / Scope 1&2 emissions in base year 2022

Reduce absolute Scope 3 GHG emissions from use of sold products approved by the SBTi

2024 progress (%) = (Scope 3 emissions from use of sold products emissions in 2024 - Scope 1&2 emissions in base year 2022) / Scope 1&2 emissions in base year 2022

Reduce absolute Scope 3 GHG emissions approved by the SBTi

2024 progress (%) = (Total Scope 3 emissions in 2024 – Total Scope 3 emissions in base year

ANNEX 2. REPORTING PRINCIPLES

2022) / Total Scope 3 emissions in base year 2022

Green electricity usage ratio in all manufacturing facilities
Base Year Data= (Green Electricity Consumption / Total Electricity Consumption) ×100

Establish renewable energy systems with a capacity
Base Year Data= Σ (Installed capacity of each renewable energy facility)

Reduce energy consumption per product in all manufacturing facilities
Base Year Data= Total Energy Consumption (TOE) / Total Production

Reduce water withdrawal per product in all manufacturing facilities
Base Year Data = (Total Water Withdrawal / Total Production Quantity)

Reduce water discharge per product in all manufacturing facilities
Base Year Data = (Total Water Discharge / Total Production Quantity)

Increase water recycling and reuse ratio in all manufacturing facilities
Base Year Data= Total recycled and reused water / Total water withdrawal

Increase waste recycling ratio in all manufacturing facilities
Base Year Data= Total R codes waste / Total waste

Domestic waste is excluded.

Increase refurbishment ratio in the Refurbishment Centers
Base Year Data= (Number of refurbished products in the three refurbishment centers / Number of products received at the three refurbishment centers) × 100

Arçelik Green Chemistry Management System implementation in all manufacturing facilities
Base Year Data= (Score of Facility 1 + Score of Facility 2 + ... + Score of Facility N) / Total number of facilities (N)

Increase recycled plastic usage in the manufacturing facilities
Base Year Data= (Amount of Recycled Plastic / Amount of Total Plastic) x 100

The amounts of refrigerator manufacturing facilities are not included.

SUSTAINABILITY TARGETS - IN TOUCH WITH BUSINESS

Average training hours per employee
Base Year Data= Total training hours / Number of FTEs

Percentage of women in the total workforce
Base Year Data= (Number of women employees / Total number of employees) x100

Percentage of women in all management positions
Base Year Data= (Number of women in managerial positions / Total number of managerial positions) x100

Percentage of women in junior management positions
Base Year Data= (Number of women in junior managerial positions / Total number of junior managerial positions) x100

Percentage of women in top management positions
Base Year Data= (Number of women in top managerial positions / Total number of top managerial positions) x100

Percentage of women in management positions in revenue generating functions
Base Year Data= (Number of women managers in revenue functions / Total number of managers in revenue functions) x100

Percentage of women in STEM related positions
Base Year Data= (Number of women in STEM positions / Total number of STEM positions) x 100

The suppliers' use of green electricity
Base Year Data= ((Purchased renewable electricity + Generated renewable electricity) / (Non-renewable electricity + Generated renewable electricity)) and for suppliers who have green electricity usage, the relevant purchasing volume (%) = (The purchasing volume from the relevant suppliers/Total purchasing volume) x 100

Volumes are calculated individually for each supplier and summed up.

The suppliers with their own targets on emission reduction
Base Year Data= For the suppliers who have set targets in both (Scope 1 & 2), the relevant purchasing volume (%) = (The purchasing volume from the relevant suppliers/Total purchasing volume) x 100

Volumes are calculated individually for each supplier and summed up.

ANNEX 2. REPORTING PRINCIPLES

The suppliers with their own targets on water
Base Year Data= For the suppliers who have set targets in both (water consumption per product & water recycling), the relevant purchasing volume (%) = (The purchasing volume from the relevant suppliers/Total purchasing volume) x 100

Volumes are calculated individually for each supplier and summed up.

The suppliers exceeding 500 ToE having the ISO 50001 certificate
Base Year Data= For the suppliers who have exceeded 500 TOE and have the certificate, the relevant purchasing volume (%) = (The purchasing volume from the relevant suppliers/ Total purchasing volume) x 100

Volumes are calculated individually for each supplier and summed up.

ANNEX 5. SUSTAINABILITY TARGETS AND PROGRESS - IN TOUCH WITH PLANET

The data of Beko Europe is not included in the 2024 progress reporting for these targets, since it was not part of the scope when the targets were initially set.

Green electricity usage in all manufacturing facilities
Progress in 2024= (Green Electricity Consumption / Total Electricity Consumption) ×100

Establish renewable energy systems
Progress in 2024= Σ (Installed capacity of each renewable energy facility)

Increase the water recycling and reuse ratio in all manufacturing facilities
Progress in 2024= Total recycled and reused water / Total water withdrawal

Increase the waste recycling rate in all manufacturing facilities
Progress in 2024= Total R codes waste / Total waste

Arcelik Green Chemistry Management System implementation in products and all manufacturing facilities
Progress in 2024= (Score of Facility 1 + Score of Facility 2 + ... + Score of Facility N) / Total number of facilities (N)

Increase recycled plastic content
Progress in 2024= (Amount of Recycled Plastic / Amount of Total Plastic) x 100

MDAs produced at manufacturing facilities excluding JVs and IHP Russia Plants.

Implement ISO 50001 Energy Management Systems across all manufacturing facilities
Progress in 2024= The ratio of manufacturing facilities that implement ISO 50001 Energy Management System in 2024

ANNEX 5. SUSTAINABILITY TARGETS AND PROGRESS - IN TOUCH WITH BUSINESS

Average training hours per employee
Base Year Data= Total training hours / Number of FTEs

Percentage of women in the total workforce
Base Year Data= (Number of women employees / Total number of employees) x100

Percentage of women in all management positions
Base Year Data= (Number of women in managerial positions / Total number of managerial positions) x100

Percentage of women in junior management positions
Base Year Data= (Number of women in junior managerial positions / Total number of junior managerial positions) x100

Percentage of women in top management positions
Base Year Data= (Number of women in top managerial positions / Total number of top managerial positions) x100

Percentage of women in management positions in revenue generating functions
Base Year Data= (Number of women managers in revenue functions / Total number of managers in revenue functions) x100

Percentage of women in STEM related positions
Base Year Data= (Number of women in STEM positions / Total number of STEM positions) x 100

The suppliers' use of green electricity
Base Year Data= ((Purchased renewable electricity + Generated renewable electricity) / (Non-renewable electricity + Generated renewable electricity)) and for the suppliers who have green electricity usage, the relevant purchasing volume (%) = (The purchasing volume from the relevant suppliers/Total purchasing volume) x 100

Volumes are calculated individually for each supplier and summed up.

The suppliers exceeding 1000 ToE having the ISO 50001 certificate
For the suppliers who have exceeded 1000 TOE

ANNEX 2. REPORTING PRINCIPLES

and achieved certificate, the relevant purchasing volume (%) = (The purchasing volume from the relevant suppliers/Total purchasing volume) x 100

Volumes are calculated individually for each supplier and summed up.

ESG data reported by suppliers and commitment to set their own targets
The number of the suppliers that share their ESG data with Arçelik and the number of suppliers that have set targets under at least one of the waste, water, emissions and/or green energy subjects within the scope of the Supplier ESG Program.

ANNEX 6. ENVIRONMENTAL PERFORMANCE INDICATORS

Scope 1 Greenhouse Gas Emissions

Scope 1 GHG emissions; It refers to the sum of stationary combustion, process-sourced, flare-sourced, mobile combustion, chemical-induced emissions and equipment loss and leakage emissions. Total Scope 1 GHG emissions are calculated by the sum of all scope 1 emissions sub-breakdowns. In the calculation, the following formula is used;

Total Scope 1 Greenhouse Gas Emissions (tCO_2e) = Stationary Combustion Emissions (tCO_2e) + Mobile Combustion Emissions (tCO_2e) + Fugitive Emissions (tCO_2e)

Stationary Combustion Emissions: It refers the amount of natural gas, fuel oil, diesel, biodiesel, bioethanol, CNG and LPG used by Arçelik and its subsidiaries in the combustion reaction to obtain energy. Constant combustion emissions; It is calculated in terms of CO_2, CH_4, N_2O and CO_2e. These calculations are carried out using the following formulations;

Emission Amount (tCO_2) =Activity Data × Emission Factor (CO_2) × GWP (CO_2)

Emission Amount (tCH_4 in CO_2e) =Activity Data × Emission Factor (CH4) × GWP (CH4)

Emission Amount (tN_2O in CO_2e) = Activity Data × Emission Factor (N_2O) × GWP (N_2O)

Emission Amount (tCO_2e) = Emission Amount (tCO_2) + Emission Amount (tCH_4 in CO_2e) + Emission Amount (tN_2O in CO_2e)

The activity data here must be compatible with the emission factor units. If compliance is not achieved, the unit of fuel is converted to the targeted emission factor unit by using the relevant calorific value. This calculation is made using the following formula.

Activity Data (TJ) = Activity Data (tonnes) x Net Calorific Value (TJ/tonnes)

Mobile Combustion Emissions: Moving combustion emissions represent the emissions of all on-road and off-road Company vehicles, locomotives and maritime transport vehicles of Arçelik and its subsidiaries from diesel, gasoline, LPG and ship fuel consumption. These emissions are calculated in terms of CO_2, CH4, N_2O and CO_2e. These calculations are carried out according to the following formulations;

Emission Amount (tCO_2)= Activity Data × Emission Factor (CO_2)× Global Warming Potential (CO_2)

Emission Amount (tCH_4 in CO_2e)= Activity Data × Emission Factor^ (CH_4)× Global Warming Potential (CH_4)

Emission Amount (tN_2O in CO_2e)= Activity Data × Emission Factor (N_2O)× Global Warming Potential(N_2O)

Total Emission Amount (tCO_2e) = Emission Amount (tCO_2) + Emission Amount (tCH_4 in CO_2e) + Emission Amount (tN_2O in CO_2e)

Equipment Loss and Leakage (Fugitive) Emissions: Loss and leakage emissions represent emissions caused by leaks in Arçelik's refrigeration and fire suppression equipment. These emissions are calculated using methodologies aligned with industry standards for assessing fugitive emissions in the appliance manufacturing sector. The calculations take into account the specific characteristics and operational parameters of the equipment to ensure accurate estimation of emissions.

Fugitive Emissions (tCO_2e) = Activity Data (kg) x Global Warming Potential (tCO_2e / kg)

WWTP Emissions: Wastewater Treatment Plant emissions refer to the greenhouse gas emissions generated during the treatment of wastewater by Arçelik and its subsidiaries. These emissions primarily arise from biological processes, chemical reactions, and energy consumption associated with the treatment of wastewater. The main components of WWTP emissions include methane (CH_4), nitrous oxide (N_2O), and carbon dioxide (CO_2). These calculations are carried out according to the following formulations;

WWTP Emissions (tCO_2e) = Chemical Oxygen Demand (mg/L) x Activity Data (Wastewater) (L) x Emission Factor (tCO_2e /mg)

ANNEX 2. REPORTING PRINCIPLES

Emission Factors:
Emission factors for diesel, fuel oil, natural gas, LPG, Gasoline, LNG, CNG, Biodiesel, Bioethanol, are sourced from the Intergovernmental Panel on Climate Change (IPCC) guidelines.

For fugitive emissions, all available factors are also derived from IPCC, while for those not available, the Department for Environment, Food & Rural Affairs (DEFRA) guidelines are used.

SC: Stationary combustion
MC: Mobile combustion
OD: Other direct

Emission Source	CO_2 (ton/ Unit)	CH_4 (ton/ Unit)	N_2O (ton/ Unit)	CO_2e	REFERENCE
SC - Diesel	74.1	0.003	0.0006		IPCC 2006, Energy- SC- Table 2.3.
SC - Fuel Oil	77.4	0.003	0.0006		IPCC 2006, Energy- SC- Table 2.3.
SC - Natural Gas	56.1	0.001	0.0001		IPCC 2006, Energy- SC- Table 2.3.
SC - LPG	63.1	0.001	0.0001		IPCC 2006, Energy- SC- Table 2.3.
SC - Motor Gasoline	69.3	0.003	0.0006		IPCC 2006, Energy- SC- Table 2.3.
MC-Diesel	74.10	0.0039	0.0039		IPCC 2006, Energy- MC- Table 3.2.1, Table 3.2.2
MC-Gasoline/Petrol	69.3	0.025	0.008		IPCC 2006, Energy- MC-Table 3.2.1, Table 3.2.2 (Gasoline)
MC-LPG	63.10	0.062	0.0002		IPCC 2006,Energy- MC-Table 3.2.1, Table 3.2.2
MC-LNG	56.1	0.092	0.003		IPCC 2006, Energy- MC- Table 3.2.1 (LNG), Table 3.2.2 (NG)
MC-CNG	56.1	0.092	0.003		IPCC 2006, Energy- MC-Table 3.2.1 (CNG), Table 3.2.2 (NG)
MC-Biodiesel	70.80	0.0030	0.0006		IPCC 2006, Energy- SC- Table 2.3.
MC-Bioethanol	70.80	0.0030	0.0006		IPCC 2006, Energy- SC- Table 2.3.
MC-Diesel (comes from Biodiesel content)	74.10	0.0039	0.0039		IPCC 2006, Table 3.2.1, Table 3.2.2
MC-Gasoline/Petrol (comes from Bioethanol content)	69.3	0.025	0.008		IPCC 2006, Table 3.2.1, Table 3.2.2
MC-Lawn movers Diesel	74.10	0.0039	0.0039		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Gas/Diesel Oil)
MC-Lawn movers Gasoline/Petrol	69.30	0.0330	0.0032		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Motor Gasoline-Uncontrolled)

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Emission Source	CO_2 (ton/ Unit)	CH_4 (ton/ Unit)	N_2O (ton/ Unit)	CO_2e	REFERENCE
MC-Bobcat Gasoline/Petrol	74.10	0.0039	0.0039		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Gas/Diesel Oil)
MC-Bobcat Diesel	69.30	0.0330	0.0032		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Motor Gasoline-Uncontrolled)
OD - Acetylene (kg)				3.38	Stoichiometric Calculation
OD - Propane (kg)				2.99763233	Fuels, Gaseous Fuels, Propane, DEFRA 2024
OD - CO_2 (Argoshield) (kg)				1	
OD - CO_2-fire extinguisher (kg)				1	
OD - R134a (kg)				1530	IPCC Climate Change 2014 Synthesis Report (Fifth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R407a (kg)				3180.6	Mixed gas. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R406a (kg)				2021.12	Mixed gas. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R407c (kg)				1907.93	Mixed gas. Composite Emission factors are calculated according to 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 3: Industrial Processes and Product Use Chapter 7: Emissions of Fluorinated Substitutes for Ozone Depleting Substances, Table 7.8 Blends (Many containing HFC and PFCs) IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - Butane (kg)				3.03338	Fuels, Gaseous Fuels, Butane, DEFRA 2024
OD - R404a (kg)				4728	Mixed gas. Composite Emission factors are calculated according to 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 3: Industrial Processes and Product Use Chapter 7: Emissions of Fluorinated Substitutes for Ozone Depleting Substances, Table 7.8 Blends (Many containing HFC and PFCs) IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R410a (kg)				2255.5	Mixed gas. Composite Emission factors are calculated according to 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 3: Industrial Processes and Product Use Chapter 7: Emissions of Fluorinated Substitutes for Ozone Depleting Substances, Table 7.8 Blends (Many containing HFC and PFCs) IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R227ea (kg)				3600	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R290 (kg)				3	Refrigerant&other, Other Products, R290 = propane, DEFRA 2024

ANNEX 2. REPORTING PRINCIPLES

Emission Source	CO_2 (ton/ Unit)	CH_4 (ton/ Unit)	N_2O (ton/ Unit)	CO_2e	REFERENCE
OD - R22/HCFC22 (kg)				1960	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R32/HFC32 (kg)				771	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R600 (kg)				4	Refrigerant&other, Kyoto protocol products, R600 = butane, DEFRA 2024
OD - R600a (kg)				3	Refrigerant&other, Other Products, R600A = isobutane, DEFRA 2024
OD - SF6 (kg)				24300	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R417a (kg)				2507.9522	Mixed gas. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R450a (kg)				570	Annex 4, Table 1, r450a, GENERIC ENVIRONMENTAL MANAGEMENT PLAN (For Refrigeration Manufacturing Sector) MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT - Vietnam
OD - Industrial Oil (kg)	2.94666	0.0001206	0.00002412	2.94680472	Industrial Oil (Lubricants): IPCC Guidelines for National Greenhouse Gas Inventories Chapter 2: Stationary Combustion- Volume 2: Energy Intergovernmental Panel on Climate Change 2006, Table 2.3. Default Emission Factors for Stationary Combustion in Manufacturing Industries and Construction Industrial Oil

ANNEX 2. REPORTING PRINCIPLES

Net Calorific Value:

Net calorific values are obtained from DEFRA 2024 document, ensuring that the values used for calculations are consistent with internationally recognized standards.

	TJ/Unit	GJ Coefficient (GJ/Unit)
Electricity	kWh	0.0036000
SC - Diesel	kg	0.0430280
SC - Fuel Oil	kg	0.0407520
SC - Natural Gas	Sm^3	0.0363191
SC - LPG	kg	0.0459440
SC - Motor Gasoline	kg	0.0445990
MC-Diesel	kg	0.0430280
MC-Gasoline/Petrol	kg	0.0445990
MC-LPG	kg	0.0459440
MC-LNG	kg	0.0456270
MC-Biodiesel	kg	0.0372000
MC-Bioethanol	kg	0.0268000
MC-Diesel (comes from Biodiesel content)	kg	0.0430280
MC-Gasoline/Petrol (comes from Bioethanol content)	kg	0.0445990
MC-Lawn movers Diesel	kg	0.0430280
MC-Lawn movers Gasoline/Petrol	kg	0.0445990
MC-Bobcat Gasoline/Petrol	kg	0.0445990
MC-Bobcat Diesel	kg	0.0430280

1 TJ = 1000 GJ

ANNEX 2. REPORTING PRINCIPLES

Scope 2 Greenhouse Gas Emissions

Scope 2 greenhouse gas emissions include all greenhouse gases arising from the consumption of electricity, steam, heat and cooling by Arçelik and its subsidiaries. The calculations are calculated as tonnes of CO_2 conjugates. In these calculations, the following formulation is used.

Emission Amount (tCO_2e) = Activity Data x Emission Factor

Scope 1 and Scope 2 Greenhouse Gas Emissions: The Scope 1 and Scope 2 Greenhouse Gas Emissions value refers to the sum of the emission values verified in the indicators "Scope 1 Greenhouse Gas Emissions (tCO_2e)" and "Scope 2 Greenhouse Gas Emissions (tCO_2e)" and is calculated using the following formula.

Scope 1 and 2 Greenhouse Gas Emissions (tCO_2e) = Scope 1 Greenhouse Gas Emissions (tCO_2e) + Scope 2 Greenhouse Gas Emissions (tCO_2e)

Emission factors for electricity are sourced from the International Energy Agency data sets. For heat and steam emissions, factors are derived from DEFRA 2024 guidelines.

Emission Source	CO_2 (ton/Unit)	CH4 (ton/Unit)	N_2O (ton/Unit)	CO_2e	REFERENCES
Türkiye Electricity Amount (kWh)	0.4209	0.0002	0.0016	0.4227	IEA, 2024
Romania Electricity Amount (kWh)	0.276	0.0001	0.0009	0.277	IEA, 2024
Russia Electricity Amount (kWh)	0.3495	0.0002	0.0007	0.3504	IEA, 2024
South Africa Electricity Amount (kWh)	0.9871	0.0003	0.0043	0.9917	IEA, 2024
Thailand Electricity Amount (kWh)	0.4812	0.002	0.0034	0.4866	IEA, 2024
Pakistan Electricity Amount (kWh)	0.3942	0.0003	0.0012	0.3957	IEA, 2024
China Electricity Amount (kWh)	0.5887	0.0004	0.0027	0.5918	IEA, 2024
Bangladesh Electricity Amount (kWh)	0.5901	0.0004	0.0008	0.5913	IEA, 2024
India Electricity Amount (kWh)	0.7316	0.0003	0.0032	0.7351	IEA, 2024
Slovakia Electricity Amount (kWh)	0.1218	0.0001	0.0004	0.1223	IEA, 2024
Poland Electricity Amount (kWh)	0.6304	0.0003	0.0026	0.6333	IEA, 2024
UK Electricity Amount (kWh)	0.1948	0.0008	0.0011	0.1967	IEA, 2024
Italy Electricity Amount (kWh)	0.3116	0.0004	0.0008	0.3128	IEA, 2024
Egypt Electricity Amount (kWh)	0.4041	0.0002	0.0003	0.4046	IEA, 2024
Heat Amount (kWh)	0.17791	0.00122	0.00052	0.17965	Heat and Steam, Onsite&District, DEFRA 2024
Steam Amount (kWh)	0.17791	0.00122	0.00052	0.17965	Heat and Steam, Onsite&District, DEFRA 2024
Renewable Electricity Production at Site, Solar (kWh)	0	0	0	0	Renewable, Emission Factor equals to 0

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Total Direct GHG Emissions (Scope 1):
Scope 1 emissions are generated from stationary combustion, mobile combustion, fugitive emissions from air conditioners during lifetime and during charge to the products, fire extinguishers, and other chemicals cause GHG emissions, biological wastewater treatment plants in production areas. IPCC Guidelines for National Greenhouse Gas Inventories 2006 (and 2019 amendment), IPCC Sixth Assessment Report (IPCC AR6) and DEFRA 2024 have been used as source for emission factors and methodology for emission calculations. Annual consumptions of Scope 1 sources inventory are used as activity data. The Scope 1 emission calculations have been done by multiplying activity data and emission factors. This metric is calculated using the following formula:

"Scope 1 Emissions Generated by Stationary and Mobile Combustion = Annual Fuel Consumption (unit) x Conversion Factor (TJ/unit) x Emission Factor (tCO_2e/TJ) (CO_2, CH_4, N_2O)

Fugitive Emissions = Cooling Agents Gas Capacity (tonnes) x IPCC Leakage Ratio (%) x Emission Factor (tCO_2e/tonnes cooling agents)

Scope 1 Emissions Generated by Biological WWTP = Total COD amount (tonnes) x Emission Factor (tCH_4/tCOD) x CH_4 coefficient (tCO_2e/tCH_4)

Location based Scope 2 emissions:
The sources of scope 2 location-based emissions are based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries (*Definitions from GHG Protocol Scope 2 Guidance*). This metric is calculated using the following formula:

Scope 2 Location based Emissions (tCO_2e) = Annual Purchased Electricity Consumption (MWh) x Electricity emission factor (tCO_2e/MWh)

Market based Scope 2 emissions:
Scope 2 market- based emissions are based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own (*Definitions from GHG Protocol Scope 2 Guidance*). This metric is calculated using the following formula:

Scope 2 Market based Emissions = Location based Scope 2 emissions (tCO_2e) - GHG Emissions from renewable energy sources (tCO_2e)

Total Indirect GHG Emissions (Scope 2):
Total Scope 2 GHG emissions are sum of location and market based GHG emissions. This metric is calculated using the following formula:

Total location-based Scope 2 emissions (tCO_2e) + Total market-based Scope 2 emissions (t CO_2e)

Scope 3 GHG Emissions:

Category1: Purchased Goods and Services
The sources of indirect GHG emissions from purchased goods and services are raw materials, materials, and packaging materials used in Company's sold products. GHG emissions caused by used materials such as plastics, metals, dyes, chemicals, and other materials used in the products are calculated by using the weight of each material, product selling numbers, and emission factors of used materials. Material data (material types and weights) are collected from products' BoM lists. Emissions factors are mainly taken from Ecoinvent Database and DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government. This metric is calculated using the following formula:

"Material weight (tonnes) x Product selling number x Emission factor (tCO_2e/tonnes)

Category2: Capital Goods
The sources of indirect GHG emissions from capital goods are Company's buildings, machinery, equipment, moulds, motor vehicles, and land improvements. The GHG emissions are calculated by using Company's global spend-based data. This metric is calculated using the following formulas:

Σ (Buildings (EUR) x Emission Factor (tCO_2e/EUR)

+ Machinery (EUR) x Emission Factor (tCO_2e/EUR)

+ Machinery Equipment and Molds (EUR) x Emission Factor (tCO_2e/EUR)

+ Motor vehicles (EUR) x Emission Factor (tCO_2e/EUR))

+Land improvements (EUR) x Emission Factor (tCO_2e/EUR)

Category3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2
The sources of indirect GHG emissions from fuel-and-energy-related activities (not included in Scope 1 or 2) are well-to-tank GHG emissions of fuel consumption reported in Scope 1 and distribution GHG emissions of electricity

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consumption reported in Scope 2. This category's emissions have been calculated using the GHG Emission Calculator Tool by the UNFCCC Secretariat. This metric is calculated using the following formula:

Σ (fuel consumed (kWh) × upstream fuel emission factor (tCO_2e)/kWh)) +Σ (electricity consumed (kWh) × upstream electricity emission factor (tCO_2e)/kWh))

Category4: Upstream Transportation and Distribution

The sources of GHG emissions from upstream transportation and distribution are road, air, railways, and water-borne navigation activities during the transportation of raw materials and components from suppliers to the production plants. The calculation methodology is used based on "EPA Center for Corporate Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories". This metric is calculated using the following formula:

Road = Total distance travelled (mile) x Emission Factors (tCO_2/vehicle-mile)

Seaway&Railway &Airway= Distance (mile) x mass of goods transported (tonnes) x Emission Factors (tCO_2/tonnes.mile)

Category5: Waste Generated in Operations

The sources of third-party disposal and treatment of waste generated in the reporting Company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater (*Definitions from GHG Protocol Scope 3 Guidance*). Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government. This metric is calculated using the following formula:

Waste amount (tonnes) x Emission Factors according to waste treatment method (tCO_2/tonnes)

Category6: Business Travel

The sources of indirect GHG emissions from business travel include GHG emissions from the transportation of employees for business related activities such as international and domestic travel by road, railway, and airways. This metric is calculated using the following formula:

Σ (distance travelled by vehicle type (vehicle-km or passenger-km) × vehicle specific emission factor (tCO_2e/vehicle-km or tCO_2e/passenger-km))

Category7: Employee Commuting

The sources of business travel emissions includes emitted emissions from the transportation of employees between their homes and their worksites. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government. This metric is calculated using the following formula:

Emissions from employee commuting = Σ (total number of employees using mode of transport x one way commuting distance (vehicle-km or passenger-km) × 2 × working days per year× emission factor of transport mode (tCO_2e/vehicle-km or tCO_2e/passenger-km))

Category8: Upstream Leased Assets

These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products. This metric is calculated using the following formula:

Σ (Warehouse area (m^2) x emission factor (tCO_2e/m^2))

Category9: Downstream Transportation and Distribution

The sources of this category includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting Company (*Definitions from GHG Protocol Scope 3 Guidance*). The calculation methodology is from "EPA Center for Corporate 250 Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories". This metric is calculated using the following formula:

Road = Total distance travelled (mile) x Emission Factors (tonnes CO_2/vehicle-mile)

Seaway&Railway &Airway= Distance (mile) x mass of goods transported (tonnes) x Emission Factors (tCO_2/tonnes.mile)

Category11: Use of Sold Products

The source of this category includes emissions from the use of sold products in the reporting year for 10 years lifetime. The products which are taken into company's GHG inventory are cooling appliances, dishwasher, dryer, front-load washing machine, top load washing machine washing machine, twin-tub washing machine, single-tub washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, small domestic appliances (such as Turkish coffee machine, hair dryer, toast machine, iron, tea machine, kettle etc.), water dispenser, and water heater product groups produced in company's own production plants and joint ventures. In addition to its own production, GHG emissions from the use of outsourced products which are supplied from different countries and sold to different countries are also included in this

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category. GHG emissions generated from electricity and gas consumption of the products, and GHG emissions generated from refrigerant leakage from the product for 10 years lifetime are calculated. The energy consumption of the products is taken from energy labels. The gas capacity of refrigerators, freezers, air conditioners, and tumble dryers is used to calculate GHG emissions from refrigerant leakage. Country-specific electricity emission factors from the International Energy Agency (IEA) for 90% of countries where most of the products were sold are chosen according to the customers' countries of the sold products. For the rest, the average world electricity emission factor is used. This metric is calculated using the following formula:

Σ (total lifetime expected uses of product × number sold in reporting period × electricity consumption (kWh) × emission factor for electricity (tCO_2e/kWh))+

Σ (number sold in reporting period ×refrigerant amount (kg) × emission factor for refrigerant type (tCO_2e/kg refrigerant))

Category12: End-of-Life Treatment of Sold Products

GHG emissions in this category are generated by the recycling and/or disposal process of waste electrical and electronics equipment (WEEE) when 10 years lifetime period of the sold products is ended. GHG emissions are calculated by multiplying product weights (as WEEE) and WEEE recycling emission factors. The products which are taken into Company's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispenser, small domestic appliances, and solar panel product groups produced in Company's own production plants and joint ventures. The weights of the products are collected from product BoM lists, R&D, and other related departments. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government. This metric is calculated using the following formula:

Σ (total mass of sold products at end of life after consumer use (tonnes)× % of total waste being treated by waste treatment method× emission factor of waste treatment method (tCO_2e/tonnes))

Category13: Downstream Leased Assets

These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products.

This category includes emissions from the operation of assets that are owned by the reporting Company (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2 (*Definitions from GHG Protocol Scope 3 Guidance*). This metric is calculated using the following formula:

Energy need of warehouses (kWh) x Emission factor (tCO_2e/kWh)

GHG Emissions (tCO_2e) in the scope of the SBTi

Total Direct Scope 1 GHG Emissions (tCO_2e)

Total Direct Scope 1 Greenhouse Gas Emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India.

As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these newly integrated plants are not included within the scope of the total direct Scope 1 GHG Emissions used in SBTi target calculation.

Scope 1 Emissions Generated by Stationary and Mobile Combustion = Annual Fuel Consumption (unit) x Conversion Factor (TJ/unit) x Emission Factor (tCO_2e/TJ) (CO_2, CH4, N2O)

Fugitive Emissions = Cooling Agents Gas Capacity (tonnes) x IPCC Leakage Ratio (%) x Emission Factor (tCO_2e/tonnes cooling agents)

Scope 1 Emissions Generated by Biological WWTP = Total COD amount (tonnes) x Emission Factor (tCH4/tCOD) x CH4 coefficient (tCO_2e/tCH4)

Location-based Scope 2 emissions (tCO_2e)

Location based Scope 2 emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India.

As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these newly integrated plants are not included within the scope of the location-based Scope 2 emissions used in SBTi target calculation.

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Electricity emission factors are taken from IEA 2024.

Scope 2 Location based Emissions (tCO_2e) = Annual Purchased Electricity Consumption (MWh) x Electricity emission factor (tCO_2e/MWh)

Market-based Scope 2 emissions (tCO_2e)
Market based Scope 2 emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India.

As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these newly integrated plants are not included within the scope of the market-based Scope 2 emissions used in SBTi target calculation.

Also, the countries that have engaged in Power Purchase Agreements (PPAs) and renewable energy procurement are Türkiye, Romania, Thailand, and Russia. The emission factor of the electricity consumed by facilities that are covered by environmental contribution certificates has been considered as zero.

Scope 2 market-based emissions = Location based Scope 2 emissions (tCO_2e) - GHG Emissions from renewable energy sources (tCO_2e)

Total Indirect GHG Emissions (Scope 2)
Total location-based Scope 2 emissions (tCO_2e) + Total market-based Scope 2 emissions (tCO_2e)

Category11: Use of Sold Products
Scope 3 use of sold products emissions include emissions from the Company's production facilities and joint ventures located in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand and India.

As of 2024, following the merger with Whirlpool's sales, production, and distribution subsidiaries in Europe, the production sites of Beko Europe B.V. in Italy, Poland, Slovakia, and the United Kingdom, as well as the Beko Egypt production facility in Egypt, have been added to the reporting scope. However, these newly integrated plants are not included within the scope of the Scope 3 use of sold products emissions used in SBTi target calculation.

The products which are taken into Company's GHG inventory are dishwasher, dryer, front-load washing machine, hob, hood, microwave, oven, refrigerator, television, vacuum cleaner, washer dryer, air conditioner product groups produced in Company's own production plants and joint ventures.

Σ (total lifetime expected uses of product × number sold in reporting period × electricity consumption (kWh) × emission factor for electricity (tCO_2e/kWh))

Σ (number sold in reporting period × refrigerant amount (kg) × emission factor for refrigerant type (tCO_2e/kWh))

GHG Emission Intensity:

Total Scope 1 GHG emissions intensity (tCO_2e/TRY million)
Total scope 1 GHG emissions intensity represents the ratio of total Scope 1 GHG emission to total revenue.

Total Scope 1 emissions (tCO_2e) / Total revenue (TRY million)

Scope 2 location-based GHG emissions intensity (tCO_2e/TRY million)
Scope 2 location-based GHG emissions intensity represents the ratio of total Scope 2 location based GHG emission to total revenue.

Total Scope 2 location-based GHG emissions (tCO_2e) / Total revenue (TRY million)

Scope 2 market-based GHG emissions intensity (tCO_2e/TRY million)

Scope 2 market-based GHG emissions intensity represents the ratio of total Scope 2 market based GHG emission to total revenue.
Total Scope 2 market-based GHG emissions (tCO_2e) / Total revenue (TRY million)

Total Scope 2 GHG emissions intensity (tCO_2e/TRY million)
Total scope 2 GHG emissions intensity represents the ratio of total Scope 2 GHG emission to total revenue.

Total Scope 2 emissions (tCO_2e) / Total revenue (TRY million)

Total Scope 1&2 GHG emissions intensity (tCO_2e/TRY million)
Total Scope 1&2 GHG emissions intensity represents the ratio of total Scope 1&2 GHG emission to total revenue.

Total Scope 1&2 emissions (tCO_2e) / Total revenue (TRY million)

Scope 3 GHG emissions intensity (tCO_2e/TRY million)
Scope 3 GHG emissions intensity represents the ratio of total scope 3 emissions to total

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revenue.

Total Scope 3 emissions (tCO_2e) / Total revenue (TRY million)

Total Scope 1, 2 & 3 GHG emissions intensity (tCO_2e/TRY million)
Total Scope 1, 2 & 3 GHG emissions intensity represents the ratio of total Scope 1, 2 & 3 emissions to total revenue.

Total Scope 1,2,3 emissions (tCO_2e) / Total revenue (TRY million)

GHG emission intensity from use of sold products (tCO_2e/Product quantity)
GHG emission intensity from use of sold products represents the ratio of total Scope 3 - use of sold products GHG emissions to total revenue.

Total Scope 3 - use of sold products GHG emissions (tCO_2e) / Total revenue (TRY million)

Energy consumption by fuel type (GJ)

Electricity (Non-renewable)
This indicator represents electricity purchased by the Company from the national or regional electricity grid that does not have associated certified renewable energy attributes, such as Renewable Energy Certificates (RECs), Guarantees of Origin (GoOs), or International RECs (I-RECs).

Total electricity consumption is calculated monthly in kWh based on the invoices issued by the service provider Company in each country. Since the electricity supply unit is billed in kWh, the conversion factor of 1 kWh = 0.0036 GJ is used for conversion to GJ.

Reference: Conversions Sheet, DEFRA 2024

Electricity (Purchased renewable)
This indicator represents electricity procured by the Company from fully renewable sources (e.g., through direct Power Purchase Agreements [PPAs]) and possessing certified renewable energy attributes such as Renewable Energy Certificates (RECs), Guarantees of Origin (GoOs), or International RECs (I-RECs).

Total purchased renewable electricity consumption is calculated based on the procured green electricity which is supported by EAC's and PPA. Since the amount of green electricity certificates is shown in MWh, the conversion factor of 1 MWh = 3.6 GJ is used for conversion to GJ.

Reference: Conversions Sheet, DEFRA 2024

Electricity (Onsite renewable generation)
This indicator represents the electricity generated and consumed on-site by the Company from renewable energy sources within the Company's operations.

On-site renewable generation is calculated as the total of the meter readings from the renewable energy plants which is self-consumed. Since the amount shown on the meters is in kWh, the conversion factor of 1 kWh = 0.0036 GJ is used for conversion to GJ.

Reference: Conversions Sheet, DEFRA 2024

Natural gas
This indicator represents the total amount of natural gas consumed by the Company across all operations as heating and industrial processes.

Total natural gas consumption is calculated monthly in m^3 based on the invoices issued by the service provider Company in each country. Since the natural gas supply unit is billed in m^3, the conversion factor used is [1m^3 x (Net Calorific Value) GJ/tonne x (density) kg/m^3]/1000

Reference: Fuel Properties Sheet, Natural Gas, DEFRA 2024

LPG
This indicator represents the total amount of liquefied petroleum gas (LPG) consumed by the Company across all operations. This includes both mobile combustion (e.g., vehicles) and stationary combustion (e.g., equipment, generators).

Total LPG consumption is tracked in kilograms (kg) based on invoices issued by the service provider companies. Since the LPG supply unit is billed in kg, the conversion factor used is [1kg x (Net Calorific Value) GJ/tonne]/1000.

Reference: Fuel Properties Sheet, LPG, DEFRA 2024

Fuel-Oil
This indicator represents the total amount of fuel oil consumed by the Company across all operations.

Total fuel oil consumption is tracked in kilograms (kg) based on invoices issued by the service provider companies. Since the fuel oil supply unit is billed in kg, the conversion factor used is [1kg x (Net Calorific Value) GJ/tonne]/1000.

Reference: Fuel Properties Sheet, Fuel Oil, DEFRA 2024

Diesel
This indicator represents the total amount of diesel fuel consumed by the Company across

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all operations. This includes both mobile combustion (e.g., vehicles) and stationary combustion (e.g. generators).

Total diesel consumption is tracked in liter (lt) based on invoices issued by the service provider companies. Since the diesel supply unit is billed in lt, the conversion factor used is [1lt * (Net Calorific Value) GJ/tonne x (density) kg/m^3]/1000/1000.

Reference: Fuel Properties Sheet, 100% mineral diesel, DEFRA 2024

Biodiesel
This indicator represents the total amount of biodiesel (bio-component only) consumed by the Company, used exclusively as vehicle fuel.

Total biodiesel consumption is tracked in liter (lt) based on invoices issued by the service provider companies. Since the biodiesel supply unit is billed in lt, the conversion factor used is [1lt x (Net Calorific Value) GJ/tonne x (density) kg/m^3 x (biodiesel content ratio)]/1000/1000.

Reference: Fuel Properties Sheet, Biodiesel ME, DEFRA 2024

Gasoline
This indicator represents the total amount of gasoline consumed by the Company across all operations. This includes only mobile combustion (e.g., vehicles).

Total gasoline consumption is tracked in liter (lt) based on invoices issued by the service provider companies. Since the gasoline supply unit is billed in lt, the conversion factor used is [1lt x (Net Calorific Value) GJ/tonne x (density) kg/m^3]/1000/1000.

Reference: Fuel Properties Sheet, 100% mineral petrol, DEFRA 2024

Bioethanol
This indicator represents the total amount of bioethanol (bio-component only) consumed by the Company, used exclusively as vehicle fuel.

Total bioethanol consumption is tracked in liter (lt) based on invoices issued by the service provider companies. Since the bioethanol supply unit is billed in lt, the conversion factor used is [1lt x (Net Calorific Value) GJ/tonne x (density) kg/m^3 x (bioethanol content ratio)]/1000/1000.

Reference: Fuel Properties Sheet, Bioethanol, DEFRA 2024

CNG
This indicator represents the total amount of compressed natural gas (CNG) consumed by the Company.

Since CNG (Compressed Natural Gas) is chemically identical to conventional natural gas and differs primarily in its physical state due to compression, the conversion of CNG from m^3 to GJ is performed using the same methodology and net calorific value applied to natural gas. Accordingly, the conversion factor used is [1m^3 x (Net Calorific Value) GJ/tonne x (density) kg/m^3]/1000, Reference: Fuel Properties Sheet, Natural Gas, DEFRA 2024

Hot Water
This indicator represents the total amount of hot water purchased from external suppliers and consumed by the Company for use in operations, including heating and processing.

Total hot water consumption is calculated monthly in kWh based on the invoices issued by the service provider Company. Since the hot water supply unit is billed in kWh, the conversion factor of 1 kWh = 0.0036 GJ is used for conversion to GJ.

Reference: Conversions Sheet, DEFRA 2024

Steam
This indicator represents the total amount of steam purchased from external suppliers and consumed by the Company for use in operations, including heating and processing.

Total steam consumption is calculated monthly in kWh based on the invoices issued by the service provider Company. Since the steam supply unit is billed in kWh, the conversion factor of 1 kWh = 0.0036 GJ is used for conversion to GJ.

Reference: Conversions Sheet, DEFRA 2024

LNG
This indicator represents the total amount of Liquefied Natural Gas (LNG) consumed by the Company.

Total LNG consumption is tracked in kilograms (kg) based on invoices issued by the service provider companies. Since the LNG supply unit is billed in kg, the conversion factor used is [1kg x (Net Calorific Value) GJ/tonne]/1000

Reference: Fuel Properties Sheet, LNG, DEFRA 2024

Energy consumption by category (GJ)

Total energy consumption from fossil sources
This indicator represents the total amount of energy consumed by the Company from fossil sources.

This is the total of energy consumption from fossil sources, including natural gas, electricity

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from non-renewable sources, diesel, gasoline, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), and fuel oil.

Total energy consumption from nuclear sources
Not relevant.

Total energy consumption from renewable sources
This indicator represents the total amount of energy consumed by the Company that is derived from renewable sources.

This is the total of energy consumption from renewable sources, including electricity purchased from renewable sources, on-site renewable electricity generation, biodiesel, and bioethanol.

Fuel consumption from renewable sources
This indicator represent the total amount of fuel consumed by the Company that is derived from renewable sources.

This is the total of fuel consumption from renewable sources, including biodiesel and bioethanol.

Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources
This indicator represents the Company's total energy consumption in the form of electricity, heating, steam, and cooling that is purchased or sourced from renewable energy sources. This is the total of consumption of electricity purchased from renewable sources.

Consumption of self-generated non-fuel renewable energy
This indicator represents the total amount of renewable energy that by Company generates and consumed on-site through non-fuel-based sources. This is the total of consumption of self-generated non-fuel renewable energy, including electricity from on-site renewable generation.

Fuel consumption from coal and coal products
Not relevant.

Fuel consumption from crude oil and petroleum products
This indicator represents the total amount of energy consumed by Company that is derived from crude oil and its refined products. This is the total of fuel consumption from crude oil and petroleum products, including gasoline, diesel, LPG, and fuel oil.

Fuel consumption from natural gas
This indicator represents the total amount of natural gas consumed by the Company. This is the total of fuel consumption from natural gas.

Fuel consumption from other fossil sources
This indicator represents the total amount of LNG (Liquefied Natural Gas) and CNG (Compressed Natural Gas) consumed by the Company.

This is the total of fuel consumption from other fossil sources, including LNG (Liquefied Natural Gas) and CNG (Compressed Natural Gas).

Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources
This indicator represents the amount of energy purchased or acquired in the form of electricity, heat, steam, or cooling sourced from fossil fuels and used in the Company's operations. This energy includes that which is purchased from external providers and used in the Company's operations.

This is the total of consumption of electricity from non-renewable sources, steam, and hot water.

Percentage of energy consumption from nuclear sources in total energy consumption
Not relevant.

Percentage of renewable sources in total energy consumption
This indicator represents the percentage of total energy consumption that is sourced from renewable energy sources. This is the percentage of renewable sources in total energy consumption, including electricity purchased from renewable sources, electricity from on-site renewable generation, biodiesel, and bioethanol, divided by total energy consumption.

Percentage of fossil sources in total energy consumption
This indicator represents the proportion of total energy consumed by the Company that is derived from fossil fuels.

This is the percentage of fossil sources in total energy consumption, including natural gas, LPG, diesel, electricity from non-renewable sources, gasoline, CNG, hot water, steam, and LNG, divided by total energy consumption.

Total annual energy saving:
This indicator represents the total amount of energy saved from applied energy efficiency projects by the Company across all operations in the relevant reporting period, measured in GJ (Gigajoules). Within the scope of energy efficiency projects, only the savings attributable to

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the relevant reporting year are considered. The annual efficiency (savings) potential of each project is prorated based on the duration of its actual impact within the year, taking into account that if the project is an electricity, steam, or hot water project, the savings amount is converted into GJ using the conversion factor of 1 kWh = 0.0036 GJ after the calculation of the savings.

If the project is a natural gas project, the savings amount is converted into GJ using the conversion factor of [1 m^3 x (Net Calorific Value) GJ/tonnes x (density) kg/m^3] / 1000.

If the project is an LPG project, the savings amount is converted into GJ using the conversion factor of [1 kg x (Net Calorific Value) GJ/tonnes] / 1000.

Financial Energy Saving (TRY)

Financial saving from energy efficiency projects

Represents the financial savings in Turkish Lira (TRY) obtained from energy efficiency projects.

Within the scope of energy efficiency projects, only the savings attributable to the relevant reporting year are considered. The annual efficiency (savings) potential of each project is prorated based on the duration of its actual impact within the year, taking into account the project's commissioning date and current operational status.

The resulting efficiency amount is multiplied by the unit cost of the corresponding energy source at the facility where the project is implemented, in order to calculate the monetary value of the savings. This monetary value is then converted into Turkish Lira (TRY) using the average monthly selling exchange rate of the country in which the project is carried out, as applicable for the relevant

Financial saving from renewable energy projects

Represents the financial savings in Turkish Lira (TRY) obtained from renewable energy projects. The financial savings from renewable energy are calculated by multiplying the electricity production (in kWh) collected from the solar power generation facility meters by the electricity unit price of the corresponding month. The calculation follows this formula:

Renewable Energy Financial Savings = Electricity Production (kWh) × Monthly Electricity Unit Price (TRY/kWh)

Additionally, the calculated savings are converted into Turkish Lira (TRY) using the average monthly exchange rate of the relevant countries.

Financial saving from green building projects

Represents the financial savings in Turkish Lira (TRY) obtained from green building projects.
N/A

Total annual financial energy saving

Represents the total annual energy savings achieved during the relevant reporting period, expressed in Turkish Lira (TRY).

It represents the total value of energy efficiency projects, green building projects, and renewable energy projects, expressed in Turkish Lira (TRY).

Energy production (GJ)

Renewable energy production:

This indicator represents the amount of electricity generated by the Company from its on-site solar power plants, as well as the electricity production from the ground-mounted solar power plants located in Aksaray and Kayseri. The total amount of renewable energy produced refers to the electricity measured in kilowatt-hours (kWh) from the Company's solar power generation facility meters. Since the measurement is in kWh, the conversion factor of 1 kWh = 0.0036 GJ is used to convert the data into gigajoules (GJ).

Energy Attributes for Scope 2 GHG Emissions:

Ratio of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions (%)

This indicator represents the ratio of the Company's total purchase of energy bundled with attributes to the total of energy consumption in relation to Scope 2 GHG emissions Company's total purchase of energy bundled with attributes / Total indirect energy consumption

Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions (%)

This indicator represents the ratio of the Company's total purchase of energy unbundled with attributes to the total of energy consumption in relation to Scope 2 GHG emissions Company's total purchase of energy unbundled with attributes / Total indirect energy consumption

Energy consumption

Total non-renewable energy consumption (MWh) (A)

This indicator represents the total amount of energy consumed by the Company that is derived from non-renewable sources. It includes energy from fossil fuels such as natural gas, fuel oil, CNG, LPG, LNG diesel, gasoline and non-renewable electricity.

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Reporting is conducted based on energy units, and all fuels are reported in both GJ and MWh. The conversion from GJ to MWh is performed using the conversion factor of 1 GJ = 0.277778 MWh.

Total renewable energy consumption (MWh) (B)
This indicator represents the total amount of energy consumed by the Company that is derived from renewable sources. It includes energy from renewable sources as solar, wind, hydropower, geothermal, bioethanol, biodiesel, biomass.

Reporting is conducted based on energy units, and all fuels are reported in both GJ and MWh. The conversion from GJ to MWh is performed using the conversion factor of 1 GJ = 0.277778 MWh.

Total energy consumption (MWh) (A+B)
The Sum of Total non-renewable energy consumption and Total renewable energy consumption Total non-renewable energy consumption + Total renewable energy consumption [MWH]

Energy intensity

Energy intensity (Total energy consumption/Revenue) (MWh/TRY million)
It represents the total amount of energy consumed for every one million Turkish Lira (TRY) of revenue.

Total energy consumption (MWh)/Revenue (TRY million)

Energy intensity of direct energy (GJ/TRY million)
Direct energy intensity (GJ / million TRY) refers to the amount of direct energy consumed for every one million Turkish Lira (TRY) of revenue.

The total consumption of direct energy sources — including natural gas, LPG, fuel oil, diesel, biodiesel, gasoline, bioethanol, propane, CNG, LNG, and onsite renewable electricity generation — was calculated in gigajoules (GJ) and divided by the revenue in million Turkish Lira (TRY) to determine the energy intensity.

Energy intensity of indirect energy (GJ/TRY million)
Indirect energy intensity (GJ / million TRY) refers to the amount of direct energy consumed for every one million Turkish Lira (TRY) of revenue.

The total consumption of indirect energy sources — including electricity (non-renewable and purchased renewable), hot water, and steam — expressed in gigajoules (GJ), was divided by the revenue in million Turkish Lira (TRY) to calculate the energy intensity.

Waste to Recovery (tonnes):
Waste to recovery (tonnes) = Total Hazardous waste (tonnes)-waste to incineration (with energy recovery)(tonnes)-waste to incineration (without energy recovery)(tonnes)-waste to landfill (tonnes) -Waste to other disposal operations (tonnes)

Total hazardous waste disposed offsite (tonnes) or Total non-hazardous waste disposed offsite (tonnes):
Total Hazardous waste disposed offsite or Total non-hazardous waste disposed offsite (tonnes) = Waste to recovery (tonnes)+waste to incineration (with energy recovery)(tonnes)+Waste to without incineration (with energy recovery) (tonnes)+Waste to landfill (tonnes) + Waste to other disposal operations (tonnes)

Hazardous waste diverted from disposal due to other recovery operations (tonnes):
Waste to recovery (tonnes) = Total Hazardous waste (tonnes)-waste to incineration (without energy recovery)(tonnes)-waste to landfill (tonnes) -Waste to other disposal operations (tonnes) -waste to incineration (with energy recovery)(tonnes)

Non-hazardous waste diverted from disposal due to other recovery operations (tonnes):
Waste to recovery (tonnes) = Total Non-Hazardous waste (tonnes)-waste to incineration (without energy recovery)(tonnes)-waste to landfill (tonnes) -Waste to other disposal operations (tonnes) -waste to incineration (with energy recovery)(tonnes)

Total waste intensity (ton/ TRY million):
Total Waste (tonnes)/Total Revenue (TRY)

Ratio of non-recycled waste (%):
(Waste to incineration without energy recovery (tonnes)+ Waste to landfill (tonnes)+ Waste to other disposal operations (tonnes))/Total waste amount that does not includes domestic waste (tonnes)

Total Water Withdrawal (million m^3):

Total Water Withdrawal = municipal water (m^3) + water tanker (m^3)+groundwater(m^3) + rainwater (m^3) + surface water (m^3) + other water (m^3)

Total Water Consumption (million m^3):

Wastewater Discharge (million m^3):

Wastewater Discharge = fresh surface water (m^3) + groundwater (m^3) + total water discharge (m^3)

Water Intensity (m^3/TRY million)

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Water Intensity = Total Water Withdrawal (m^3) / Total revenue (TRY million)

Water Pollutant Intensity (tonnes/ TRY million):

Water Pollutant Intensity = total COD (tonne)/ Total revenue (TRY million)

Recycled and reused water ratio (%):

Recycled and reused water ratio = (Total recycled (m^3) + reused water (m^3)) /Total water withdrawal (m^3)

Rate of water withdrawal from "high" water stress locations compared to total water withdrawal:

Rate of water withdrawal from "high" water stress locations compared to total water withdrawal = Water withdrawal from "high" water stress locations (m^3) / Total water withdrawal (m^3)

Rate of water discharge at "high" water stress locations compared to total water discharge:

Rate of water discharge at "high" water stress locations compared to total water discharge = Water discharge at "high" water stress locations (m^3) / Total water discharge (m^3)

Rate of water consumption at "high" water stress locations compared to total water consumption:

Rate of water consumption at "high" water stress locations compared to total water consumption = Water consumption at "high" water stress locations (m^3) / Total water consumption (m^3)

Rate of water withdrawal from "extremely high" water stress locations compared to total water withdrawal:

Rate of water withdrawal from "extremely high" water stress locations compared to total water withdrawal = Water withdrawal from "extremely high" water stress locations (m^3) / Total water withdrawal (m^3)

Rate of water discharge at "extremely high" water stress locations compared to total water discharge:

Rate of water discharge at "extremely high" water stress locations compared to total water discharge = Water discharge at "extremely high" water stress locations (m^3) / Total water discharge (m^3)

Rate of water consumption at "extremely high" water stress locations compared to total water consumption:

Rate of water consumption at "extremely high" water stress locations compared to total water consumption = Water consumption at "extremely high" water stress locations (m^3) / Total water consumption (m^3)

Total water consumption in areas at water risk (m^3):

Total water consumption in areas at water risk (m^3) = Water consumption at "high" water stress locations (m^3) + Water consumption at "extremely high" water stress locations (m^3)

Water Saved (m^3):

Total water saved annually = Recycled water (m^3) + reused water (m^3) + rainwater (m^3)

ANNEX 7. PRODUCT INDICATORS

Percentage of total revenue from products that included recycled and,or bio composite plastic materials =((Total revenue from products that included recycled and/or bio composite plastic materials)/(Total revenue))×100

Percentage of total revenue from reduced raw materials (resource efficiency)in products and packaging =((Total revenue from reduced raw materials (resource efficiency)in products and packaging)/(Total revenue))×100

Percentage of total revenue from low carbon products =((Total revenue from low carbon products)/(Total revenue))×100

SOCIAL INDICATORS

Full Time Equivalent (FTE):
Full Time Employees + 0.5 x Part Time Employee

Percentage of new employee hires by gender:

- New women hires / Total number of new hires
- New men hires / Total number of new hires

Percentage of open positions filled by internal candidates (internal hires):
The total number of internal hires/ Total number of all hires (excluding acquisitions)

Percentage of open positions filled by internal candidates at different management levels:

- The total number of internal hires at junior/ low level management / The total number of internal hires
- The total number of internal hires at middle level management / The total number of internal hires

ANNEX 2. REPORTING PRINCIPLES

- The total number of internal hires at senior/ top level management / The total number of internal hires

Percentage of employees promoted by gender:

- Promoted women employees / Total number of promoted employees
- Promoted men employees / Total number of promoted employees

Employee Turnover Rates (%) (as HeadCount (HC) meaning that full time equals to 1, while part time equals to 1))

Total employee turnover rate (Voluntary+Involuntary):

Sum of total resigned employee / Annual average number of employees

Voluntary /Involuntary employee turnover rate:

- Sum of total voluntarily resigned employee/ Annual average number of employees
- Sum of total involuntarily resigned employee/ Annual average number of employees

Total Employee Turnover Rates (%) as HC (full time =1; part time=1)

- Sum of total resigned women employee / Annual average number of women employees
- Sum of total resigned men employee / Annual average number of men employees
- Sum of total resigned employee filtered by age group (Under 30 years old / 30-50 years old / Over 50 years old)/ Annual average number of employees by age group (Under 30 years old / 30-50 years old / Over 50 years old)

Sum of total resigned employees by Managerial level (Non-Managerial / junior or low-level management / middle-level management / senior or top-level management)/ Annual average number of employees by Managerial level (Non-Managerial / junior or low-level management / middle-level management /senior or top-level management)

Employees by Working Years

Average seniority years:

- Sum of total seniority / Total employees (FTE)
- Sum of total seniority filtered as women / Total women employees (FTE)
- Sum of total seniority filtered as men / Total men employees (FTE)

Diversity and Inclusion

Workforce by Age Groups and Gender:

Percentage of employees under 30 years old:

- Total women employees under 30 years old (FTE) / Total women employees (FTE)
- Total men employees under 30 years old (FTE) / Total men employees (FTE)

Percentage of employees 30-50 years old (including 30 and 50 years old):

- Total women employees aged between 30 and 50 (including 30 and 50) (FTE) / Total women employees (FTE)
- Total men employees aged between 30 and 50 (including 30 and 50) (FTE) / Total men employees (FTE)

Percentage of employees over 50 years old:

- Total women employees over 50 years old (FTE) / Total women employees (FTE)
- Total men employees over 50 years old (FTE) / Total men employees (FTE)

Gender Equality by Positions

Percentage of employees in the total workforce:

- Total women employees (FTE) / Total employees (FTE)
- Total men employees (FTE) / Total Employees (FTE)

Percentage of employees in all management positions including junior, middle and senior management

- Total women employees in all management positions (FTE) / Total employees in all management positions (FTE)
- Total men employees in all management positions (FTE) / Total employees in all management positions (FTE)

Percentage of employees in top management positions ie. Maximum two levels away from the CEO or comparable positions

- Total women employees in top management positions (FTE) / Total employees in top management positions (FTE)
- Total men employees in top management positions (FTE) / Total employees in top management positions (FTE)

Percentage of employees in junior management positions ie. first level of management

- Total women employees in junior management positions (FTE) / Total employees in junior management positions (FTE)
- Total men employees in junior management positions (FTE) / Total employees in junior management positions (FTE)
- Percentage of employees in non-managerial positions
- Total women employees in non-management positions (FTE) / Total employees in non-management positions (FTE)
- Total men employees in non-management positions (FTE) / Total employees in non-management positions (FTE)

ANNEX 2. REPORTING PRINCIPLES

Percentage of employees in management positions in revenue-generating functions (eg. sales) as % of all such managers (ie excluding support functions such as HR, IT, Legal, etc.)

- Total women employees in managerial positions within revenue-generating functions (FTE) / Total employees in managerial positions within revenue-generating functions (FTE)
- Total men employees in managerial positions within revenue-generating functions (FTE) / Total employees in managerial positions within revenue-generating functions (FTE)

Percentage of employees in revenue generating functions

- Total women employees in revenue-generating functions (FTE, monthly waged) / Total employees in revenue-generating functions (FTE, monthly waged)
- Total men employees in revenue-generating functions (FTE, monthly waged) / Total employees in revenue-generating functions (FTE, monthly waged

Percentage of employees in STEM related positions

- Total women employees in STEM-related positions (FTE, monthly waged) / Total employees in STEM-related positions (FTE, monthly waged)
- Total men employees in STEM-related positions (FTE, monthly waged) / Total employees in STEM-related positions (FTE, monthly waged)

Percentage of employees in IT positions

- Total women employees in IT positions (FTE, monthly waged) / Total employees in IT positions (FTE, monthly waged)
- Total men employees in IT positions (FTE, monthly waged) / Total employees in IT positions (FTE, monthly waged)

Percentage of employees in engineering positions

- Total women employees in engineering positions (FTE, monthly waged) / Total employees in engineering positions (FTE, monthly waged)
- Total men employees in engineering positions (FTE, monthly waged) / Total employees in engineering positions (FTE, monthly waged)

Percentage of employees on entry level positions

- Total women employees in entry level positions (FTE, monthly waged) / Total employees in entry level positions (FTE, monthly waged)
- Total men employees in entry level positions (FTE, monthly waged) / Total employees in entry level positions (FTE, monthly waged)

Living Wage Indictors

Percentage of the minimum wage represented by the total income:

- Employees Total Income / Countries Min Wage

Gender Pay Indicators

Base salary at one level:

- Average annual salary of women / Average annual salary of men

Base salary + Other cash incentives at one level:

- Average base salary + other cash incentives of women / Average base salary + other cash incentives of men

Average pay gap (women to men):

- Percentage of compensation for women to men.

Global mean (average) raw gender pay gap:

- 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 pay gap levels:

- 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.

Percentage of women compensated in different quartiles:

- Female-to-male ratio of employees' base salaries across each pay quartile (top, upper middle, lower middle and lower)

Training and Development

Total hours of training for employees (employee*hour):

- The total duration (in hours) of all training sessions attended by all employees (i.e. number of participants × duration of each session)

Number of employees received training and development:

- The total number of unique employees who participated in at least one training or development activity during the reporting period. Each employee is counted once, regardless of the number of trainings attended.

ANNEX 2. REPORTING PRINCIPLES

Percentage of employees received training and development:

- (Number of employees who received training and development / Total number of employees) × 100

Number of employees received skill-based training:

- The total number of employees who participated in any training categorized as skill-based.

Percentage of employees received skill-based training:

- (Number of employees received skill-based training / Total number of employees) × 100

Average hours of training and development per FTE (Full-Time Employee):

- Total training hours / Number of FTEs

Average amount spent per FTE on learning and development (TRY):

- Total training and development spending / Number of FTEs

Average hours of training and development by gender, age group, and managerial level:

- Total training hours for the category / Number of employees in that category

Average hours of training and development by development category & training topic:

- Total hours delivered in that training/category / the relevant employee base

Number of employees trained by subject area – Environment, Energy, Health & Safety, Ethics:

- Headcount of employees who participated in trainings categorized under each subject area, without duplication across subjects.

Percentage of employees trained by subject area – Environment, Energy, Health & Safety, Ethics:

- Number of employees trained in subject / Total number of employees) × 100

Occupational Health and Safety Indicators

Lost Time Injury Frequency Rate-Employees:

- (Number of work-related injuries caused the employees to lose at least a working day / Total working hours) x 1,000,000

Lost Time Injury Frequency Rate-Contractors:

- (Number of work-related injuries caused the contractors to lose at least a working day / Total working hours) x 1,000,000

Lost Time Injury Frequency Rate- Employees&-Contractors:

- (Number of work-related injuries caused the employees and contractors to lose at least a working day / Total working hours) x 1,000,000

Reconsideration Statement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.

ANNEX 3. ASSURANCE REPORT

Shape the future with confidence

INDEPENDENT ASSURANCE REPORT

To General Assembly of Arçelik Anonim Şirketi

İstanbul, Türkiye

This report is intended solely for the management of Arçelik Anonim Şirketi (hereinafter 'Arçelik') for the purpose of reporting of Selected ESG Information ("Selected Information") listed below in its Integrated Report 2024 (hereinafter 'Integrated Report 2024') that has been prepared by Arçelik Anonim Şirketi for the period running from January 1, 2024, to 31 December 2024.

SUBJECT MATTER INFORMATION AND APPLICABLE CRITERIA

In line with the request of Arçelik, our responsibility is to provide limited assurance in accordance with Global Reporting Initiative Standards ('GRI Standards') and Selected Information listed below within the scope of the reporting approach of Arçelik specified in "Annex 2. Reporting Principles" ("Reporting Principles") included in pages 196-239 of Integrated Report 2024.

THE SCOPE OF OUR ASSURANCE

The scope of our assurance is limited to the examination of Sustainability Targets Indicators (pg. 67-69), Sustainability Targets and Progress Indicators (pg. 255-257), Environmental Performance Indicators (pg. 258-262), Products Indicators (pg. 263-264), Social Performance Indicators (pg. 266-274), Occupational Health and Safety Indicators (pg. 275), Supplier Performance Indicators (pg. 276-277), Sustainable Financing (pg. 120), EU Taxonomy (pg. 121, 279-284), Double Materiality (pg. 20-35).

ENVIRONMENTAL PERFORMANCE INDICATORS

1. Scope 1-2 GHG Emissions (tCO_2e)

- Total Direct Scope 1 GHG Emissions (tCO_2e)
- Location-based Scope 2 emissions (tCO_2e)
- Market-based Scope 2 emissions (tCO_2e)
- Total Indirect Scope 2 GHG Emissions (tCO_2e)
- Total Scope 1&2 GHG Emissions (tCO_2e)

2. Scope 3 GHG Emissions (tCO_2e)

- Category1: Purchased Goods and Services
- Category2: Capital Goods
- Category3: Fuel and Energy Related Activities Not Included in Scope 1 or Scope 2
- Category4: Upstream Transportation and Distribution
- Category5: Waste Generated in Operations
- Category6: Business Travel
- Category7: Employee Commuting
- Category8: Upstream Leased Assets
- Category9: Downstream Transportation and Distribution
- Category11: Use of Sold Products
- Category12: End-of-Life Treatment of Sold Products
- Category13: Downstream Leased Assets
- Total Indirect Scope 3 GHG Emissions (tCO_2e)

3. Total Scope 1&2&3 GHG emissions (tCO_2e)

4. GHG Emissions in the scope of Company's science-based targets approved by SBTi (tCO_2e)

- Total Direct Scope 1 GHG Emissions (tCO_2e)
- Location-based Scope 2 emissions (tCO_2e)
- Market-based Scope 2 emissions (tCO_2e)
- Total Indirect Scope 2 GHG Emissions (tCO_2e)
  Total Scope 1&2 GHG Emissions (tCO_2e)
- Scope 3 GHG Emissions - Category 11: Use of Sold Products (tCO_2e)

5. GHG Emission Intensity

- Total Scope 1 GHG emissions intensity (tCO_2e/TRY million)
- Scope 2 location-based GHG emissions intensity (tCO_2e /TRY million)
- Scope 2 market-based GHG emissions intensity (tCO_2e/TRY million)
- Total Scope 2 GHG emissions intensity (tCO_2e / TRY million)
- Total Scope 1&2 GHG emissions intensity (tCO_2e/TRY million)
- Scope 3 GHG emissions intensity (tCO_2e/TRY million)
- Total Scope 1, 2 & 3 GHG emissions intensity (tCO_2e/TRY million)
- GHG emission intensity from use of sold products (tCO_2e/Product quantity)

6. Energy consumption by fuel type

- Electricity (non-renewable), Electricity (purchased renewable), Electricity (onsite renewable generation), Natural gas, LPG, FUel-oil, diesel, biodisel, gas, bioethanol, CNG, Hotwater, Steam, LNG

7. Total Energy Consumption by fuel type (GJ)
Energy saving

- Total annual energy saving (TRY)

8. Energy consumption by category

- Financial saving from energy efficiency projects (TRY)
- Financial saving from renewable energy projects (TRY)
- Total annual financial energy saving (TRY)

9. Energy consumption by category (GJ)

- Total energy consumption from fossil sources (GJ)
- Total energy consumption from nuclear sources (GJ)
- Percentage of energy consumption from nuclear sources in total energy consumption
- Total energy consumption from renewable sources (GJ)
- Fuel consumption from renewable sources (GJ)

ANNEX 3. ASSURANCE REPORT

- Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (GJ)
- Consumption of self-generated non-fuel renewable energy
- Percentage of renewable sources in total energy consumption
- Fuel consumption from coal and coal products (GJ)
- Fuel consumption from crude oil and petroleum products (GJ)
- Fuel consumption from natural gas (GJ)
- Fuel consumption from other fossil sources (GJ)
- Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (GJ)
- Percentage of fossil sources in total energy consumption

10. Energy production

- Non-renewable energy production
- Renewable energy production (GJ)
- Total energy production (GJ)

11. Energy Attributes for Scope 2 GHG Emissions

- Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions
- Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions

12. Energy intensity

- Energy intensity (Total energy consumption/ Revenue) (MWh/TRY million)
- Energy intensity of direct energy (GJ/TRY million)
- Energy intensity of indirect energy (GJ/TRY million)

13. Energy Consumption by source (MWh)

- Total non-renewable energy consumption (MWh) (A)
- Total renewable energy consumption (MWh) (B)
- Total energy consumption (MWh) (A+B)

14. Water Withdrawal by Source (m^3)

- Third party sources - Municipal water
- Third party sources - Water tanker
- Groundwater
- Surface water
- Rainwater
- Total water withdrawal

15. Water Discharge by Destination (m^3)

- Fresh surface water
- Groundwater
- Third-party destinations (municipal sewage line connected to municipal/industrial wastewater treatment plant)
- Total water discharge

16.Water Consumption (m^3)

- Total water consumption

17.Water Intensity (m^3 / TRY million)

- Water Withdrawal Intensity

18.Water pollutants (tonnes)

- Total Chemical Oxygen Demand (COD), Total Suspended Solid (TSS), Total Oil and Grease, Total Nitrites (NO2-N), Total Chromium, Total Lead (Pb), Total Cadmium (Cd), Total Nickel (Ni)

19.Water Pollutant Intensity (tonnes/ TRY million)

- Total Chemical Oxygen Demand (COD)

20.Water Recycled or Reused

- Water recycled and reused (m^3)
- Water recycled and reused (%)

21.Areas with Water Stress

- Water withdrawal from "high" water stress locations (m^3)
- Rate of water withdrawal from "high" water stress locations compared to total water withdrawal
- Water discharge at "high" water stress locations (m^3)
- Rate of water discharge at "high" water stress locations compared to total water discharge
- Water consumption at "high" water stress locations (m^3)
- Rate of water consumption at "high" water stress locations compared to total water consumption
- Water withdrawal from "extremely high" water stress locations (m^3)
- Rate of water withdrawal from "extremely high" water stress locations compared to total water withdrawal
- Water discharge at "extremely high" water stress locations (m^3)
- Rate of water discharge at "extremely high" water stress locations compared to total water discharge
- Water consumption at "extremely high" water stress locations (m^3)
- Rate of water consumption at "extremely high" water stress locations compared to total water consumption
- Total water consumption in areas at water risk (m^3)

22.Water saved annually (m^3)

- Total water saved annually (m^3)

23.Financial Saving (TRY)

- Financial saving from water efficiency and rainwater harvesting projects
- Total annual financial water saving

ANNEX 3. ASSURANCE REPORT

24.Water Stored (m³)
- Total water stored
- Changes in storage

25.Waste by type (tonnes)
- Total Waste
- Total hazardous waste disposal (tonnes)
- Total Non-hazardous waste (tonnes)
- Total amount of radioactive waste

26.Hazardous waste directed to disposal (tonnes)
- Waste to recovery
- Waste to incineration (with energy recovery)
- Waste to incineration (without energy recovery)
- Waste to landfill
- Waste to other disposal operations
- Total hazardous waste disposed onsite
- Total hazardous waste disposed offsite
- Hazardous waste diverted from disposal due to preparation for reuse
- Hazardous waste diverted from disposal due to recycling
- Hazardous waste diverted from disposal due to other recovery operations

27.Non-hazardous waste directed to disposal (tonnes)
- Waste to recovery
- Waste to incineration (with energy recovery)
- Waste to incineration (without energy recovery)
- Waste to landfill
- Waste to other disposal operations
- Total non-hazardous waste disposed onsite
- Total non-hazardous waste disposed offsite
- Non-hazardous waste diverted from disposal due to preparation for reuse
- Non-hazardous waste diverted from disposal due to recycling
- Non-hazardous waste diverted from disposal due to other recovery operations

28.Waste intensity
- Hazardous waste intensity (tonnes/ TRY million)
- Non-hazardous waste intensity (tonnes/ TRY million)
- Total waste intensity (tonnes/ TRY million)

29.Non-recycled waste
- Ratio of non-recycled waste (%)
- Total non-recycled waste (tonnes)

30.Waste Prevented
- total waste prevented annually (tonnes)

31.Financial Saving (TRY)
- Financial saving from waste projects
- Total annual financial waste saving

PRODUCT INDICATORS

32.Energy Efficient Products
- Percentage of eligible products certified under the ENERGY STAR® Percentage of eligible products by revenue certified to the ENERGY STAR®
- Percentage of total revenue from energy-efficient products Percentage of energy-efficient product (by unit count)
- Percentage of eligible products by revenue certified to an energy efficiency certification
- List of applicable jurisdictional or international certification programmes

33.Environmental Product Lifecycle Standard
- Percentage of eligible products by revenue certified to an environmental product lifecycle standard
- List of applicable jurisdictional or international certification programmes
- Percentage of revenue from products certified with Type I eco-labels (ISO 14024)

34.Resource Efficient Products
- Percentage of total revenue from products that included recycled and/or bio composite plastic materials
- Percentage of total revenue from reduced raw materials (resource efficiency) in products and packaging

35.Products
- Annual production by Product Categories (units)

36.Low Carbon Products
- Percentage of total revenue from low carbon products

37.Recycled material
- Total recycled plastics used for products (tonnes)

38.End of Life
- Description of efforts to manage products' end-of-life impacts
- Social Performance Indicators

39.Number of Employees (FTE at the end of year) by Employment Type
- Number of employees by gender
- Number of monthly paid employees by gender
- Number of hourly paid employees by gender
- Number of permanent employees by gender
- Number of temporary employees by gender
- Number of employees by work hours classification

40.Number of Employees (FTE by the end of year) by Region
- Total number of employees by region
- Number of monthly paid employees by region
- Number of hourly paid employees by region
- Number of permanent employees by region
- Number of temporary employees by region

41.Number of Employees (head count)

ANNEX 3. ASSURANCE REPORT

- Number of employees (head count) by gender
- Number of employees by country

42.Hiring

- Percentage of new employee hires by gender
- Number of new employee hires by gender
- Junior/low level management by gender
- Middle level management by gender
- Senior/top level management by gender
- Number of new employee hires by region & gender

43.Internal Hires (%)

- Percentage of open positions filled by internal candidates (internal hires) by gender
- Internal hires by management level & gender

44.Promotion (%)

- Percentage of employees promoted by gender

45.Employee Turnover Rates (%)

- Total employee turnover rate (Voluntary+Involuntary)
- Voluntary employee turnover rate
- Involuntary employee turnover rate
- Total employee turnover rate by region

46.Number of Employees Who Left

- Number of employees who have left the company (Voluntary+Involuntary)
- Number of employees who have left the company Voluntary
- Number of employees who have left the company Involuntary

47.Total Employee Turnover Rates (%)

- Turnover rates by gender
- Turnover rates by age
- Turnover rates by management level

48.Voluntary Employee Turnover Rates (%)

- Turnover rates by gender
- Turnover rates by age
- Turnover rates by management level
- Turnover rates by non-management level

49.Involuntary Employee Turnover Rates (%)

- Turnover rates by gender
- Turnover rates by age
- Turnover rates by management level
- Turnover rates by non-management level

50.Employees by Working Years

- Number of employees working for a period of 0-5 years by gender
- Number of employees working for a period of 5-10 years by gender
- Number of employees working for a period of more than 10 years by gender
- Average seniority years

51.Workforce by Age Groups and Gender

- Total number of employees by gender (FTE)
- Percentage of employees by gender
- Number of employees under 30 years old (FTE) by gender
- Percentage of employees under 30 years old by gender
- Number of employees 30-50 years old (including 30 and 50 years old) (FTE) by gender
- Percentage of employees 30-50 years old (including 30 and 50 years old) by gender
- Number of employees over 50 years old (FTE) by gender
- Percentage of employees over 50 years old by gender

52.Gender Equality by Positions

- Number of employees in the total workforce by gender
- Percentage of employees in the total workforce by gender
- Number of employees in all management positions, including junior, middle and senior management by gender
- Percentage of employees in all management positions, including junior, middle and senior management by gender
- Number of employees in top management positions ie. Maximum two levels away from the CEO or comparable positions by gender
- Percentage of employees in top management positions ie. Maximum two levels away from the CEO or comparable positions by gender
- Number of employees in junior management positions, ie. First level of management by gender
- Percentage of employees in junior management positions, ie. First level of management by gender
- Number of non-managerial positions by gender
- Percentage of non-managerial positions by gender
- Number of employees in management positions in revenue-generating functions (eg. sales) as % of all such managers (ie excluding support functions such as HR, IT, Legal, etc.) by gender
- Percentage of employees in management positions in revenue-generating functions (eg. sales) as % of all such managers (ie excluding support functions such as HR, IT, Legal, etc.) by gender
- Number of employees in revenue generating functions by gender
- Percentage of employees in revenue generating functions by gender
- Number of employees in STEM-related positions by gender
- Percentage of employees in STEM-related positions by gender
- Number of the employees in IT positions by gender
- Percentage of the employees in IT positions by gender
- Number of the employees in engineering positions by gender

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- Percentage of the employees in engineering positions by gender
- Number of the employees on entry level positions by gender
- Percentage of the employees on entry level positions by gender

53.Workforce by Nationality

54.All Management Workforce by Nationality

55.Wages

- Percentage of employees covered by a living wage benchmark analysis
- Percentage of employees paid below living wage

56.Salaries by Level

- Executive level (base salary only)
  - Average Women Salary (TRY)
  - Average Men Salary (TRY)
  - Average (Women/Men Salary)
- Executive level (base salary + other cash incentives)
  - Average Women Salary (TRY)
  - Average Men Salary (TRY)
  - Average (Women/Men Salary)
  - Management level (base salary only)
  - Average Women Salary (TRY)
  - Average Men Salary (TRY)
  - Average (Women/Men Salary)
  - Management level (base salary + other cash incentives)
  - Average Women Salary (TRY)
  - Average Men Salary (TRY)
  - Average (Women/Men Salary)
- Non-management level
  - Average Women Salary (TRY)
  - Average Men Salary (TRY)
  - Average (Women/Men Salary)

57.Gender Pay Gap Metrics

- Average pay gap (women to men)
- Global mean (average) raw gender pay gap
- Average pay gap levels

58.Other Gender Pay Gap Metrics

- Percentage of women in top 10% compensated
- Percentage of women in the top pay quartile
- Percentage of women in the upper middle pay quartile
- Percentage of women in the lower middle pay quartile
- Percentage of women in the lower pay quartile

59.Training and Development

- Total hours of training for employees (employee*hour)
- Number of employees received training and development
- Percentage of employees received training and development
- Number of employees received skill based training
- Percentage of employees received skill based training
- Average hours of training and development per FTE*
- Average amount spent per FTE on learning and development (TRY)

60.Average Hours of Training and Development

- Average hours by gender
- Average hours by age
- Average hours by management level

61.Average Hours of Training and Developments by Development Category

- Orientation
- Purpose-Driven Programs
- Competency Development
- Leadership Development
- Capability Development (Technical & Functional)

62.Trainings by Subjects - Employees (Average Hours)

- Sustainability
- Environment
- Energy
- Health & Safety
- Chemicals
- Regulations
- Ethics
- Diversity, Equity & Inclusion

63.Trainings by Subjects - Employees (Number of employees)

- Environment
- Energy
- Health & Safety
- Ethics

64.Trainings by Subjects - Employees (Percentage)

- Environment
- Energy
- Health & Safety
- Ethics

65.Performance Evaluation

- Number of employees subjected to regular performance and career development evaluation by gender
- Number of employees covered by multidimensional performance appraisal by gender
- Occupational Health and Safety Indicators

66.OHS Indicators of Employees

- Total working hours
- The number of work-related fatalities
- The number of work-related injuries reported while working for the company (incl. at least a working day lost injuries)

67.Rates of OHS Indicators for Employees

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- Lost Time Injury Frequency Rate

68.OHS Indicators of Contractors

- Total working hours
- The number of work-related fatalities
- The number of injuries reported while working for the company (incl. at least a working day lost injuries)

69.Rates of OHS Indicators for Contractors

- Lost Time Injury Frequency Rate

70.OHS Indicators of Employees and Contractors

- Total working hours
- The number of work-related fatalities
- The number of injuries reported while working for the company (incl. at least a working day lost injuries)

71.Rates of OHS Indicators for Employees and Contractors

- Lost Time Injury Frequency Rate
- Supplier Performance Indicators

72.Supplier Screening

- Significant suppliers in Tier-1
- Total purchasing volume on significant suppliers in Tier-1
- Significant suppliers in Tier-2

73.Supplier ESG Assessment

- Unique significant Tier-1 suppliers assessed
- Unique significant Tier-2 suppliers assessed

74.Supplier Assessment Findings

- Unique significant Tier-1 suppliers with substantial potential/actual negative impacts supported in corrective action plan implementation
- Unique significant Tier-1 suppliers with substantial potential/actual negative impacts supported in corrective action plan implementation
- Supplier Development Programs
- Unique significant suppliers in capacity building programs
-

SUSTAINABILITY TARGETS INDICATORS

75.In Touch with Planet

- Reduce Scope 1-2 GHG emissions approved by the SBTi
- Reduce Scope 3 GHG emissions from use of sold products approved by the SBTi
- Reduce Scope 3 GHG emissions approved by the SBTi
- Green electricity usage ratio in all manufacturing facilities
- Establish renewable energy systems with a capacity
- Reduce energy consumption per product in all manufacturing facilities
- Reduce water withdrawal per product in all manufacturing facilities
- Reduce water discharge per product in all manufacturing facilities
- Increase water recycling and reuse ratio in all manufacturing facilities
- Increase waste recycling ratio in all manufacturing facilities
- Increase refurbishment ratio in our Refurbishment Centers
- Arçelik Green Chemistry Management System implementation in all manufacturing facilities
- Increase recycled plastic usage in our manufacturing facilitie

76.In Touch with Business Needs

- Increase the average training hours per employee
- Increase the percentage of women
- – in the total workforce to
- – in all management positions to
- – in junior management positions to
- – in top management positions to
- – in management positions in revenue generating functions to
- – in STEM related positions to
- Ensure the suppliers use green electricity
- Emission reduction targets set by our suppliers
- Ensure our suppliers set their own targets on water
- Ensure the suppliers exceeding 500 ToE obtain the ISO 50001 certificate
-

SUSTAINABILITY TARGETS AND PROGRESS INDICATORS

77.In Touch with Planet

- Green electricity usage in all manufacturing facilities
- Establish renewable energy systems
- Increase the water recycling and reuse ratio in all manufacturing facilities
- Increase the waste recycling rate in all manufacturing facilities
- Arçelik Green Chemistry Management System implementation in products and all manufacturing facilities
- Increase recycled plastic content
- Implement ISO 50001 Energy Management Systems across all manufacturing facilities

78.In Touch with Business

- Increase the average training hours per employee to 35 hours
- Increase the percentage of women
- – in the total workforce to
- – in all management positions to
- – in junior management positions to
- – in top management positions1 to
- – in management positions in revenue generating functions to
- Ensure our suppliers use green electricity
- Ensure suppliers obtain the ISO 50001 certificate

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- Collect, monitor, and publicly disclose compiled data of suppliers' Scope 1-2 GHG emissions, energy, water, and waste and encourage them to set their own targets
- Sustainable Financing

79.Investments and expenditures for environmental resource efficiency in production and product
- Capital Investments
- Operating Expenses
- Total

80.Investments and expenditures for environmental resource efficiency in Research and Development (R&D)
- Capital Investments
- Operating Expenses
- Total

81.Total Environmental Expenditure and Investments
- Operational Indicators

82.EU Taxonomy

83.Double Materiality

ARÇELIK'S RESPONSIBILITIES

Arçelik's management is responsible for the preparation, collection, and presentation of the information for the Selected Information. In addition, Arçelik's management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Integrated Report 2024, such that it is free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITIES

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 and 3410 which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

PROCEDURES APPLIED

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of Arçelik to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;

2. Reviewed Selected Information through online online and face to face interviews with personnel at Arçelik Anonim Şirketi's domestic and international locations, as well as through other available documentation for Arçelik's other locations in Türkiye, against evidence, on a sample basis;

3. Undertook substantive testing, on a sample basis, of the Selected Information;

4. Used Arçelik's internal documentation to evaluate and measure the Selected Information;

5. Evaluated the design and implementation of key processes and controls over the Selected Information;

6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.

7. Evaluated the disclosure and presentation of the Selected Information in the Integrated Report 2024.

ANNEX 3. ASSURANCE REPORT

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STRATEGIC APPROACH TO SUSTAINABILITY
IN TOUCH WITH OUR PLANET
IN TOUCH WITH HUMAN NEEDS
IN TOUCH WITH BUSINESS
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OUR CONCLUSION

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Selected Information for the year ended in December 31, 2024, has not been prepared, in all material respects in line with GRI Standards and the relevant requirements of the criteria as defined in Reporting Guidelines.

LIMITATIONS

We permit this report to be disclosed in addition to Arçelik Anonim Şirketi's Integrated Report 2024 for the year ended on December 31, 2024; to enable the management of Arçelik Anonim Şirketi to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Arçelik Anonim Şirketi for our work, for this independent limited assurance report, or for the conclusions we have reached.

Guney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Didem Tusel Özdoğan, SMMM
Partner

24 July 2025
İstanbul, Türkiye

ANNEX 4. CORPORATE GOVERNANCE INDICATORS

CORPORATE GOVERNANCE METRICS

Members of Board of Directors by Gender and Age Groups	Men	Women
Number of members at the Board of Directors	9	3
Percentage of members at the Board of Directors	75%	25%
Number of members under 30 years old	0	0
Percentage of members under 30 years old	0	0
Number of members 30-50 years old (including 30 and 50 years old)	0	0
Percentage of members 30-50 years old (including 30 and 50 years old)	0	0
Number of members over 50 years old	9	3
Percentage of members over 50 years old	75%	25%

Board Independence	
Independent Members	33.3%
Non-Independent Members	66.7%

Work Experience (years)	
<35	2
35-50	8
>50	2

Term of Office on the Company's BoD (years)	
<10	5
10-30	5
>30	2

Citizenship / Residency	
Türkiye	11
Other	1

Gender Diversity	
Women	25%
Men	75%

Board Meeting Attendance	Number of Board Members
Attended all meetings	6
Could not attend 1 meeting	5
Could not attend more than 1 meeting	1
Board Meeting Attendance (%)	93%

Executive & Non-Executive Board Members	
Executive Members	1
Non-executive Members	11

Sustainability and Climate-Related OKRs of C-level Executives as a % of Total OKRs*	
Climated-related targets/all targets	10%
Sustainability-related targets/all targets	47%

*indirectly linked to executive compensation and bonuses for C-level Executives

ANNEX 4. CORPORATE GOVERNANCE INDICATORS

CORPORATE GOVERNANCE TABLE

Corporate Governance Body	Members	Mandate	Activity in 2024
Board of Directors (BoD)	Rahmi M. Koç* Ömer M. Koç Semahat S. Arsel Ali Y. Koç Levent Çakıroğlu Robert Sonman Fatih K. Ebiçlioğlu Hakan Bulgurlu Ayşe Canan Ediboğlu Galya F. Molinas Ahmet Turul Tuğrul Fadıllıoğlu	Executive Committee, Corporate Governance Committee, Early Detection of Risk Committee, Audit Committee and Sustainability Council report to BoD The BoD determines the ESG material issues, risks and opportunities and develops ESG policies accordingly. For effective implementation of the aforementioned policies, internal directives, business procedures, etc. may be prepared. The BoD takes decisions regarding these policies and discloses those new policies to the public.	11 meetings held with an average attendance of 93%. Except for the decisions taken at the physical meetings, decisions were taken by the circulating method. 30 decisions were made. Differing opinions and dissenting votes, along with their grounds, if any, voiced in Board meetings are recorded in the decision minutes, in which case detailed grounds of Members casting dissenting votes are publicly disclosed. Each Board Member is entitled to one vote. However, since no such opposition or different opinion was expressed in the meetings in 2024, no such public disclosures were made, or the statutory auditors were informed. Reports were prepared to the attention of the BoD, which were presented in the BoD meetings. These reports included topics such as the approval of new sustainability related policies and procedures, scores and ratings received from sustainability indices, updates on energy efficiency projects and solar power, supplier engagement efforts, double materiality analysis, received grants for environmental projects.
Executive Committee**	Rahmi M. Koç* Ömer M. Koç Semahat S. Arsel Ali Y. Koç Caroline N. Koç Aykut Ümit Taftalı	Makes recommendations to the BoD in order to increase the effectiveness of the Board activities Monitors the developments in Arçelik and the company's sector more closely to inform the BoD when necessary Ensures the successful transfer and dissemination of the issues related to the General Assembly or BoD resolution to the Company management within the framework of the determined directives and policies Evaluates the impacts in the economic, social and political environment in the sector in which the company operates to increase Arçelik's competitiveness with determined strategies Responsible to search for internal and external growth opportunities that can make the company achieve strategic goals including sustainability at the top of the agenda	12 meetings were held. The committee did not need to benefit from the opinions of independent experts in 2024 in relation to their activities.
Corporate Governance Committee**	Ahmet Turul* CFO Levent Çakıroğlu	Investor Relations Department reports to this Committee Evaluates the implementation of Corporate Governance Principles and makes improvement recommendations Determining the conflicts of interest arising from any non-compliance with these principles fully, if any Follows global corporate governance best practices for points of possible improvements Builds a transparent system for determining, assessing and training suitable candidates for the membership of BoD, evaluates the proposals for candidate independent members and submits its evaluation to the approval of the BoD Present its proposals to the BoD regarding the remuneration to be paid to the members of the BoD and senior executives, taking into account the degree of attainment of the criteria	6 meetings were held.

*Chair of the Committee
**Committees Directly Reporting to the BoD

ANNEX 4. CORPORATE GOVERNANCE INDICATORS

CORPORATE GOVERNANCE TABLE

Corporate Governance Body	Members	Mandate	Activity in 2024
Audit Committee	Ahmet Turul* Ayşe Canan Ediboğlu	Leads Internal Audit Department Informed by the CFO Selects the independent auditor Carries out its activities regularly as stipulated in the "Capital Markets Legislation and CMB Corporate Governance Principles" Oversees the functioning of the accounting and reporting systems within the framework of the relevant laws and regulations, public disclosure of financial information, operation and effectiveness of independent audit and internal control system	4 meetings were held.
Early Detection of Risk Committee**	Galya F. Molinas* Fatih K. Ebiçlioğlu	Finance & Enterprise Risk Directorate, Global Ethics Committee, C-level Risk Committee and Sustainability Council report to this Committee. Advises the BoD for early detection and evaluation of risks that may affect the Company, ensures early detection of technical bankruptcy and warns the BoD Calculates the effects and possibilities of risks, manages and reports these risks in accordance with the Company's corporate risk appetite Takes necessary measures to reduce the effects and possibilities of the identified risks, and, in this direction, the establishment of effective internal control systems Supervises respective departments that are responsible for reviewing risk management systems at least once a year and for risk management to be in compliance with committee decisions	6 meetings were held.
Information Security Committee	Chief Strategy & Digital Officer* Fatih K. Ebiçlioğlu CFO General Counsel Legal & Compliance	Responsible to help building an effective information security management structure The Senior Management participates in the Information Security Committee as representative of the BoD which periodically reviews the information security system Senior Management performs the necessary resources and authority / responsibility allocations for the establishment and operation of the Information Security Management System The Senior Management reports to the board member in charge of Information Security and Cybersecurity Management	4 meetings were held.
Global Ethics Committee	CEO* CFO General Counsel Legal & Compliance Chief People Officer Relevant Assistant General Manager(s)	Ensures the functioning and sound implementation of the Global Code of Conduct and Related Policies	4 meetings were held.
Sustainability Council	CFO* Chief People Officer Chief Marketing Officer Chief Technology Officer Global Communications Executive Director General Counsel Legal & Compliance Sustainability Director CEO Chief Commercial Officer Chief Strategy & Digital Officer Chief Sustainability, Quality, and Customer Care Officer R&D Director Human Rights Director Enterprise Risk & Insurance Management Manager	Sustainability Working Groups, Global Communications and Sustainability Communication report to this Council Sets corporate sustainability and climate change policies and strategies, ensures they are integrated into business processes Tracks sustainability performance Monitors and evaluates ESG risks, strategies and impact on business objectives Meets quarterly The CFO reports critical issues arising from the work of this Committee to the BoD	4 meetings were held. Main topics discussed at these meetings were the Company's new 2050 SBT and related roadmap, suppliers' sustainability development and possible initiatives, updates on voluntary carbon market, emerging sustainable packaging regulations, implications of CBAM, sustainability reporting and disclosure requirements and updates, analysis of performance on sustainability indices.

*Chair of the Committee
**Committees Directly Reporting to the BoD

ANNEX 4. CORPORATE GOVERNANCE INDICATORS

CORPORATE GOVERNANCE TABLE

Corporate Governance Body	Members	Mandate	Activity in 2024
Human Rights Committee	Chief People Officer* Chief Financial Officer Chief Production & Technology Officer Chief Purchasing and Supply Chain Officer Chief Sustainability, Quality and Customer Care Officer General Counsel Legal & Compliance Industrial Relations, Human Rights, AA, OS Director Global Communications Executive Director Sustainability Director Environment Director Government and Sectoral Affairs Director Quality Systems Head Occupational Safety Head People Experience and Human Rights Head	Functions under Human Resources in accordance with the company's Human Rights Policy and Human Rights Due Diligence Procedure Performs regular audits within the company Creates risk maps, ensures improvements in due diligence activities Meets four times a year	4 meetings were held.

*Chair of the Committee
**Committees Directly Reporting to the BoD

ANNEX 4. CORPORATE GOVERNANCE INDICATORS

SELECTED MEMBERSHIPS AND CONTRIBUTIONS

MAIN INSTITUTIONS

Institution / Organization	Gain or Contribution	2024 Membership Fee (TRY)	Share in total payments (%)
Home Appliance Europe (APPLiA)*	APPLiA is a Brussels-based trade association that provides a single, unanimous voice for the home appliance industry in Europe, promoting the industry's mission of improving their customers' lifestyles. APPLiA's main interest areas are sustainability, energy efficiency, green and digital transition, packaging, competitiveness etc. There are several working groups where specific topics are discussed, and a general view of the sector is formulated. Arçelik's CEO is currently the president of APPLiA and technical teams of Arçelik actively attend to working group meetings. This allows Arçelik to adapt to legislative changes swiftly as well as to comply with relevant changes in the market. APPLiA has national associations throughout the Europe, and Arçelik and its subsidiaries are members to these associations as well. (Some national associations are as follows: TÜRKBESD-Türkiye, APPLiA Romania, APPLiA Spain, APPLiA Italy, APPLiA Polska, APPLiA Ireland, APPLiA Sweden, APPLiA Slovakia, Elektroniikan Tukkukauppiaat (ETK)-Finland) APPLiA Czechia, APPLiA Hungary, APPLiA Denmark, APPLiA Norway, ASSOCLIMA, APPLiA Portugal (AGEFE)	34,280,780	37.29%
Turkish Employers Association of Metal Industries (MESS)	MESS works in tandem with the employers of metal and electronics industries to develop well-balanced, reliable, and stable industrial relations, while increasing competitiveness and productivity. Moreover, MESS also aims to foster a sustainable, cordial and peaceful working environment, based on mutual trust and dialogue, in harmony and accordance with common interests. Within the scope of its membership, Arçelik engages in activities that ensure compliance with occupational health and safety standards, and protection of employee and company rights. In addition, the membership allows us to benefit from MESS's knowledge and support regarding the practices that regulate business life. MESS claims to be the world's first employer's union to be a member of WEF, and has an initiative called MEXT, which is Türkiye's first digital production factory that is end-to-end integrated from sales forecasting, supply chain to production systems and quality management. MEXT claims to be the world's biggest digital transformation and capability building centre and it provides "Digital maturity assessment" service, which is the world's largest "digital transformation initiative in industry" in terms of scale. We also contribute to the research of MEXT	8,001,000	8.70%
The Association of Manufacturers of Domestic Appliances (AMDEA)	Beko PLC, a subsidiary of Arçelik has been a member of AMDEA for more than 15 years, with the Managing Director of Beko PLC serving as the Chair of the Association. AMDEA represents 80% of the appliance industry in the UK, covering manufacturers of small and large domestic appliances. AMDEA has two main committees, namely technical and consumer group that are supported by issue specific panels. Main areas of focus are as follows: circular economy, environment, sustainability targets, WEEE, cybersecurity.	10,259,663	11.16%
ZVEI e.V. (Zentralverband Elektrotechnik- und Elektronikindustrie)	ZVEI, the Electro and Digital Industry Association, promotes the industry's collective economic, technological and environmental policy interests on a national, European and global level. The industry has round about 890,000 employees in Germany plus 766,000 employees all over the world. Main topics of interest are sustainability & environment, circular economy, energy efficiency, Cybersecurity and mobility. Beko Grundig Deutschland GmbH (Arçelik's Subsidiary) is currently at the Board of ZVEI's Consumer Electronics Section.	6,568,110	7.15%
France White Goods Manufacturers Association (Groupement des Marques d'Appareils Pour la Maison - Gifam)	Beko France is a member of GIFAM, representing France's white goods industry. Beko France's Country Director is also the chair of GIFAM, and employees in related fields actively attend working group meetings. Through this association, we follow laws and regulations in France, contribute to forming association opinions on these laws and regulations, and closely follow the rules regarding the circular economy and carbon-neutral targets.	6,388,245	6.95%
DIGITALEUROPE	It is an organization which consists of the world's largest IT, telecommunications and consumer electronics companies that heavily invest in Europe and prominent trade associations from 30 different European countries. DigitalEurope acts in the belief that digitalisation is a key enabler for a resilient and sustainable ecosystem. Thus, it aims to convey the views of the industry to related public bodies and support the development of a regulatory framework that nurtures innovation, advances digitalization, and enhance growth. We actively attend to several working groups and contributes to the positive impact of digitalization.	1,853,668	2.02%

*Memberships to National Associations (NACs) are included.

ANNEX 4. CORPORATE GOVERNANCE INDICATORS

SELECTED MEMBERSHIPS AND CONTRIBUTIONS

MAIN INSTITUTIONS

Institution / Organization	Gain or Contribution	2024 Membership Fee (TRY)	Share in total payments (%)
European Industrial Research Management Association (EIRMA)	Business R&D has a very significant role to play in business' agenda towards sustainability. EIRMA is at the centre of driving this development and of leading the necessary change. It plays an active role in capturing and spreading best practices of its members by using specific methodologies like, knowledge management and benchmarking. Arçelik shares its knowledge and contributes to insights on key issues in R&D and innovation management.	354,903	0.39%
Association of Home Appliance Manufacturers (AHAM)	AHAM is a unanimous voice providing the industry with leadership, advocacy and a forum for action in public policy, standards and business decisions. AHAM helps manufacturers bring efficient, high-performing home appliances into the homes of consumers in the United States, Canada and around the world. It also promotes the industry's mission to increase appliance performance while reducing its impact on the environment. It plays an active role in the fields of energy efficiency, e-waste, resources, safety, and standardisation. Beko US (Arçelik's subsidiary) contributes and provides responses to current and draft regulations and policies through AHAM.	1,705,192	1.86%
Turkish Industry and Business Association (TÜSİAD)	With strong representative power in terms of the added value created by member organizations in Türkiye's economy, TÜSİAD is also a member of Business Europe, which is considered to represent the European private sector. As an umbrella NGO representing Türkiye's business world, TÜSİAD is an institution that actively participates in forming opinions as a public authority on a wide range of topics from sectoral developments to other related areas. In addition, TÜSİAD can closely monitor legislative works in the EU which concern our sector, and form opinions at the level of EU institutions by means of the Business Europe channel of which it is a member. We actively participate in and contribute to many TÜSİAD working groups and task forces. In particular, Arçelik leads the Working Group for the Environment and Climate Change and the EU Green Deal Task Force to actively work on the formation of country policies in these areas.	870,000	0.95%

↗ For further information, please refer to Global Sectoral Relations Management & NGO Membership Policy and Civil Society Cooperation Policy.

*Memberships to National Associations (NACs) are included.
The total amount paid in 2024 was TRY 91,919,708. The main institutions explained above represents a total payment of TRY 70,281,560 and 76.5% of total spending on annual fees to institutions to which we are a member.

ANNEX 4. CORPORATE GOVERNANCE INDICATORS

SELECTED MEMBERSHIPS AND CONTRIBUTIONS

OTHER INSTITUTIONS / ORGANIZATIONS

Institution / Organization	Gain or Contribution
Chamber of Commerce and Industry of Serbia	It is a national association of all Serbian businesspeople, which serves the best interests of its members and the Serbian economy. It consists of companies and entrepreneurs. Beko Balkans (Arçelik's subsidiary) contributes especially in compliance working group of the association.
STS Forum	It is a forum that brings together scientists and global leaders in the fields of politics, business and academia who meet yearly in Kyoto, Japan. In addition to annual meetings, STS Forum gathers stakeholders at side events where the future of science and technology and ways to increase benefits for humanity and environment are discussed thoroughly. As a responsible manufacturer, Arçelik closely follows developments in cutting-edge science and technology
Turkish White Goods Manufacturers' Association (TÜRKBESD)	TÜRKBESD aims to develop the white goods industry in Türkiye, increase exports, work on technical issues, energy efficiency, and environmental compliance regarding products and manufacturing processes, ensure the technological development of the sector, and share views that will benefit the country, sector, and consumers regarding drafts of future domestic legislation. Arçelik has taken an active role in TÜRKBESD for many years and currently Arçelik is the deputy chair of the BoD. TÜRKBESD has several technical working groups in which Arçelik actively contributes
Empowering the digitalization of Energy transition (EEBUS)	EEBUS is an organization that tries to empower the digitalisation of energy transition by ensuring compliance with physical and grid-initiated constraints at the grid connection and thus supports a stable grid operation. Hence, the purpose of EEBUS is the development and standardisation of a cross-domain and manufacturer independent communication from grid to device level and required interfaces to allow for the interconnection between energy management relevant devices as well as corresponding control systems. Arçelik actively participates in the technical development of the EEBUS standard. This membership provides an opportunity for Arçelik in the fast-growing market of environment related energy transition. Thus, this helps Arçelik's efforts towards decarbonization and climate protection.
European Factories of the Future Research Association (EFFRA)	It is an industry-driven association promoting the development of new and innovative production technologies. It is the official representative of the private side in the "Made in Europe" partnership. This partnership is the voice and driver for sustainable manufacturing in Europe. It boosts European manufacturing ecosystems towards global leadership in technology, circular industries and flexibility. The Partnership contributes to a competitive, green, digital, resilient and human-centric manufacturing industry. As a member of EFFRA Arçelik contributes to the research on production technologies.
Electronic Devices Manufacturers' Association (ECİD)	Its goals are to create an electronic sector that can compete globally and contributes to production, exports, employment, economic development and welfare in Türkiye. It is aimed to create an electronics industry that is sensitive to climate change and environmental problems by attaching importance to R&D and innovation. And supports digital transformation and can compete globally. Arçelik is the deputy chair of the BoD and contributes to the works of ECİD that supports digital transformation in the sector.
Domestic Appliances Association of South Africa (SADA)	SADA is a local trade association that provides a single, consensual voice for the home appliance industry, promoting industry`s mission to advance the lifestyles of South Africans. Defy (Arçelik's subsidiary) holds a BoD position at SADA and actively contributes to issues related with the industry in general and also specific issues like circular economy, e-waste and energy labeling
Pakistan Business Council	It consists of country's leading Corporates and Business Groups as an advocacy forum to improve the general business environment of the country. The Council has several committees on issues like taxation, foreign trade and environment. Dawlance (Arçelik's subsidiary) actively attends to meetings of environment committee and contributes to positive agenda of energy labelling and sustainability.
Spanish association of Consumer Electronics and IT producers (AMETIC)	AMETIC is an association representing the digital industry sector in Spain focusing on the areas of electronics, information and communications technology, telecommunications, and digital content. Members include organizations of varied sizes and fields, from SMEs to large global companies. The Association works to promote the development of a robust and innovative digital industry. Beko Spain (Arçelik's subsidiary) actively contributes to policy monitoring and advocacy activities.
Recycling of Used Plastics Limited (RECOUP)	RECOUP is a charity organization which gathers a network of over 180 members, committing to a more sustainable use of plastics. To achieve this goal, RECOUP undertakes activities which stimulate the development of plastics waste and effective resource management, research, and analysis on future plastics recycling systems. Beko Plc (Arçelik's subsidiary) has been a member of RECOUP since 2021 and has participated in promoting more sustainability in the use of plastics throughout our sector.
Durban Chamber of Commerce (DCC)	The Durban Chamber of Commerce was founded in 1856 and is Africa's oldest and largest metropolitan Chamber. Defy (Arçelik's subsidiary) has been a member to the DCC since 1928 and currently serves as chair on the Environmental Affairs Forum and the Safety and Justice Forum. As a member, we are showcasing good business practices in terms of sustainability and contribute to increasing partnerships on sustainability development and knowledge sharing.
TechUK	TechUK is a technology trade association with white goods, consumer electronics and IT members. A network for innovation and collaboration across business, government and stakeholders to provide a better future for people, society, the economy and the planet is formed by the association. Beko (Arçelik's subsidiary) by being a member of TechUK contributes to the positive potential of technology.
GOGLA	Defy joined GOGLA–the global association for the off-grid solar energy industry–to strengthen our impact, connect with key partners, and spotlight our Solar Off-Grid range. As part of a network serving over 560 million people, we contribute to expanding clean, affordable, and reliable energy access across Sub-Saharan Africa. Through our solutions, we help power homes, farms, and small businesses, supporting climate goals and inclusive development. With the right partnerships, we believe this sector can transform 1 billion lives by 2030.

ANNEX 5. SUSTAINABILITY TARGETS AND PROGRESS

In Touch with our **Planet**

To provide context and transparency, we have included a summary of our progress against the targets with the scope shared in our previous report.

TARGETS	TARGET YEAR 2025	TARGET YEAR 2030	PROGRESS IN 2022	PROGRESS IN 2023	PROGRESS IN 2024	TARGET STATUS	TARGET COMPLETION RATE	RELATED MATERIAL ISSUES	CONTRIBUTION TO SDGS
Green electricity usage in all manufacturing facilities[1]	-	100%	65% (cumulated)	64% (cumulated)	61.8% (cumulated)		61.8%	Climate Action	
Establish renewable energy systems	10 MW_p	50 MW_p	10.2 MW_p (cumulated)	20.3 MW_p (cumulated)	90.2 MW_p (cumulated)		100%	Climate Action	
Reduce energy consumption per product in all manufacturing facilities [2] (base year 2015)	-	45%	26.5%	25.7% reduction	20.7% reduction		46%	Climate Action	
Make an investment in renewable energy and energy efficiency (base year 2019)	-	USD 50 million	USD 16,353,840 (cumulated)	USD 31,140,361 (cumulated)	USD 66,031,988 (cumulated)		100%	Climate Action	
Reduce water withdrawal per product in all manufacturing facilities[3] (base year 2015)	-	45%	32% reduction	25% reduction	22.8% reduction		51%	Water Management	
Increase the water recycling and reuse ratio[4] in all manufacturing facilities[3]	-	70%	9%	7%	9.7%		14%	Water Management	
Increase the waste recycling rate[5] in all manufacturing facilities[3]	-	99%	96%	95%	98%		99%	Waste Management	
Arçelik Green Chemistry Management System implementation in products and all manufacturing facilities	-	100%	42%	42.4%	45%		100%	Chemicals Management	
Increase recycled plastic content[6]	20%	40%	8%	10%	16%		40%	Material Recycling and Reduction	
Increase bio-based material content[6]	2.5%	5%	Limited usage	Limited usage	Limited usage		NA	Material Recycling and Reduction	
Implement ISO 50001 Energy Management Systems across all manufacturing facilities	-	100%	71%	78%	88%		88%	Climate Action	
Reach Arçelik-branded PV panel sales per year	450 MW	-	85 MW	207 MW	340 MW		75%	Climate Action	
Using recycled cardboard outer boxes for our own product boxes	-	80%	83%	85%	64%		81%	Sustainable Supply Chain Management Biodiversity	
Decreasing wooden plate consumption for our own product packaging	-	5%	NA	12%	24%		100%	Biodiversity	
Having enabled the suppliers to switched to recycled cardboard outer boxes of their products	-	80%	44.3%	38%	64%		80%	Sustainable Supply Chain Management Biodiversity	

[1] Due to limitations in the supply of green electricity certificates in Romania, a sufficient amount of green electricity certificates could not be purchased in 2024. This has led to a decrease in the green electricity usage rate at our Romania facilities, where we have been using 100% green electricity since 2015. Our company remains committed to increasing green electricity usage and expanding renewable energy investments.
[2] In 2024, the primary reason for the decline in our energy reduction rate was the disruption of the production-consumption balance during the relocation of our Çayırova Washing Machine Plant to the Manisa Facility, which led to deviations in certain KPIs. Additionally, a decrease in annual production volumes in some of our facilities compared to the previous year also had a negative impact on our energy reduction targets.
[3] In 2023, the reporting scope covered all manufacturing plants by adding IHP Russia plants and JVs. Due to this, the progression of the target was affected.
[4] Water recycling and reuse ratio = (Total recycled + reused water)/Total water withdrawal
[5] This recycled rate equals to the diversion rate from landfill. Recovered waste includes waste to recovery and waste to waste incineration with energy recovery.
[6] MDAs produced at manufacturing facilities excluding JVs and IHP Russia Plants.
Our doubling energy productivity target with base year 2010 was achieved in 2023.
Target year dates signify "by the end of" the year determined.

IN PROGRESS | ACHIEVED INTERIM TARGET | ACHIEVED ULTIMATE TARGET

ANNEX 5. SUSTAINABILITY TARGETS AND PROGRESS

In Touch with **Human Needs**

TARGETS	TARGET YEAR 2025	TARGET YEAR 2026	TARGET YEAR 2030	PROGRESS IN 2022	PROGRESS IN 2023	PROGRESS IN 2024	TARGET STATUS	TARGET COMPLETION RATE	RELATED MATERIAL ISSUES	CONTRIBUTIONS TO SDGS
Raise awareness about healthy living and sustainability (total reach)	**225M** total reach	-	**450 M** people[1]	**50.1 M** unique reach[1]	**76.3 M** unique reach **195.4 M** total reach (not unique cumulated) in 3 years	24.8 M unique reach 220.2 M total reach (not unique cumulated) in 4 years		98%	Corporate Citizenship	
Raise awareness on better future through sustainability communication campaigns (total reach)	**300 M** total reach	-	**400 M** people[1]	**58.1 M** unique reach[1]	**76.2 M** unique reach **248.9 M** total reach (not unique cumulated) in 3 years	4.5 M unique reach 253.4 M total reach (not unique cumulated) in 4 years		84%	Corporate Citizenship	
Serve meals to people in need and save food from being wasted	**4.7 M** meals to be served, **2,700 tonnes**[2] of food to be saved	-	**8 M** meals to be served, **4,700 tonnes**[2] of food to be saved	**1,070 tonnes** of food saved **2.4 M** meals served to **1.2M** guests (cumulated)	**2,100 tonnes** of food saved, **3.6M** meals served to **1.8M** guests (cumulated)	2,471 tonnes of food saved, 3.97 M meals served to 1.59 M guests (cumulated)		88%	Corporate Citizenship	
AC Support the needs of communities with local hero brands in Türkiye, Romania, South Africa, and Pakistan	-	**Expansion of WE-inTech program** to Romania, South Africa, and Pakistan, from only Türkiye in 2019	-	**44 women engineering students** from Türkiye, Romania, South Africa, and Pakistan participated in We-inTech program, reaching 162 women students in total since 2019	**105 women engineering students** from Türkiye, Romania, South Africa, and Pakistan who participated in three global and local programs, reaching 267 women students in total since 2019	**40 women engineering students** from Türkiye, who participated in one local program, reaching 307 women students in total since 2019		100%	Corporate Citizenship	
AC With Arçelik and Beko brands in Türkiye: Provide STEM training	**80,000 girls**	**100,000 girls**	-	**241 teachers** from **81 provinces** were trained	**72,723 students** in schools in 81 provinces were reached, including 35,372 girls	**71,337 students** including 34,819 girls, were reached in schools across 81 provinces; since the start of the project, a total of 144,060 students, including 70,191 girls, have been reached		70%	Corporate Citizenship	
AC Increase the number of women entrepreneurs in the dealer ecosystem by boosting the number of women Beko dealers*	**145 women dealers**	**150 women dealers**	-	**9%** with 92 dealers and 99 stores	**10%** with 108 dealers and 125 stores	**125** dealers and 151 stores		83%	Corporate Citizenship	
AC Ensuring that women receive technical training and start working as technical service personnel in Arçelik Authorized Service*	**800 women technicians**	**1000 women technicians**	-	**8%** with a total of 482 active women employees	**7.4%** with a total of 440 active women employees	**70** new women technicians with a total of 734 trained women technicians		73%	Corporate Citizenship	

[1] The targeted data has been revised since calculation methodology allowed us to follow unique reach data for each year, not in a cumulated way.
[2] The targeted data has been revised to continue with more ambitious targets until the target year.
AC: Action Coalition
*This target was revised in 2024 to create a more tangible and measurable impact.
Please note that a progress was made towards the targets in 2022 and 2023: Our entrepreneurship program for women within our AC targets and Arcelik brand in Türkiye reaching million people about adopting climate-friendly lifestyle.
Target year dates signify "by the end of" the year determined.

IN PROGRESS | ACHIEVED INTERIM TARGET | ACHIEVED ULTIMATE TARGET

ANNEX 5. SUSTAINABILITY TARGETS AND PROGRESS

In Touch with **Business**

TARGETS	TARGET YEAR 2025	TARGET YEAR 2030	PROGRESS IN 2022	PROGRESS IN 2023	PROGRESS IN 2024	TARGET STATUS	TARGET COMPLETION RATE	RELATED MATERIAL ISSUES	CONTRIBUTION TO SDGS
Increase the average training hours per employee to 35 hours	-	**35 hours**	↗ **28.9** hours	↗ **32.2** hours	↘ **22** hours		63%	Future Fit Culture, Talent and Organizational Management	
Convert 40% of training activities to online platforms	**20%**	**40%**	↗ **8%**	↘ **6%**	→ **6%**		15%	Future Fit Culture, Talent and Organizational Management	
Increase the percentage of women							68%	Future Fit Culture, Talent and Organizational Management	
– in the total workforce to	-	**35%**	↗ **27%**	↗ **28%**	→ **28%**		80%	Future Fit Culture, Talent and Organizational Management	
– in all management positions to	-	**30%**	↗ **23%**	→ **23%**	→ **23%**		77%	Future Fit Culture, Talent and Organizational Management	
– in junior management positions to	-	**35%**	↗ **24%**	↗ **25%**	↘ **22%**		63%	Future Fit Culture, Talent and Organizational Management	
– in top management positions[1] to	-	**32%**	↗ **27%**	→ **27%**	↗ **29%**		91%	Future Fit Culture, Talent and Organizational Management	
– in management positions in revenue generating functions to	-	**25%**	↗ **19%**	↘ **18%**	↗ **19%**		76%	Future Fit Culture, Talent and Organizational Management	
– in STEM related positions to	-	**38%**	↗ **19%**	↗ **21**	↗ **22%**		58%	Future Fit Culture, Talent and Organizational Management	
– Assign three women directors in STEM-related departments	-	**3**	→ **1**	↗ **2**	↘ **1**		33%	Future Fit Culture, Talent and Organizational Management	
Reach supplier employees for OHS training	**2,500 supplier employees**	**5,000 supplier employees**	**1,840** supplier employees	↘ **2,653** supplier employees (cumulated)	→ **3,852** supplier employees (cumulated)		77%	Sustainable Supply Chain Management	
Ensure our suppliers use green electricity	-	**100% green electricity usage from the suppliers[2] in 90% of purchasing volume**	NA	Newly added	**26%** for the suppliers in **13%** of purchasing volume		33%	Sustainable Supply Chain Management	
Ensure suppliers obtain the ISO 50001 certificate	**Suppliers[2] exceeding 1,000 ToE**	**Suppliers[2] exceeding 500 ToE**	↘ **31%**[3] of our purchasing volume for the suppliers exceeding 1,000 ToE	↘ **19%**[4] of our purchasing volume of suppliers exceeding 1,000 ToE	↗ **26%** of our purchasing volume of suppliers exceeding 1,000 ToE		68%	Sustainable Supply Chain Management	
Collect, monitor, and publicly disclose compiled data of suppliers' Scope 1-2 GHG emissions, energy, water, and waste and encourage them to set their own targets	**Suppliers[2] in 90% purchasing volume**	-	↘ Data collected from **159 suppliers. 173 suppliers' commitment** to set their own targets	↗ Data collected from **253 suppliers 166 suppliers' commitment to** set their own targets	↗ Data collected from **283 suppliers 194 suppliers' commitment to** set their own targets		47%	Sustainable Supply Chain Management	

[1] One and two levels away from the CEO.
[2] 90% of purchasing volume of Tier-1 material and OEM suppliers.
[3] With the increase in the number of suppliers exceeding 1000 TEP, our scope has been wider.
[4] The reason behind the reduction of our purchasing volume of our suppliers having ISO 50001 and 14001 is because of the change in our year-end supplier list and the option we offer to the suppliers to apply for the certificate within the 3 months after they entered to the scope and therefore the certification period for the suppliers within the scope still are in progress.
Target year dates signify "by the end of" the year determined

IN PROGRESS · ACHIEVED INTERIM TARGET · ACHIEVED ULTIMATE TARGET

ANNEX 6. ENVIRONMENTAL PERFORMANCE INDICATORS

The environment data for 2022 and 2023 cover production facilities and joint ventures in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand, and India. Following the 2024 merger with Whirlpool, the reporting scope was expanded to include Beko Europe B.V. sites in Italy, Poland, Slovakia, the UK, and Beko Egypt. This boundary extension has caused change in 2024 data compared to previous years.

GHG EMISSIONS

GHG Emissions (tCO_2e)	2022	2023	2024
Scope 1-2 GHG Emissions (tCO_2e)			
Total Direct Scope 1 GHG Emissions (tCO_2e)	82,947	78,559	90,249
Location-based Scope 2 emissions (tCO_2e)*	194,089	188,015	244,557
Market-based Scope 2 emissions (tCO_2e)*	92,501	89,762	123,321
Total Indirect Scope 2 GHG Emissions (tCO_2e)*	92,501	89,762	123,321
Total Scope 1&2 GHG Emissions (tCO_2e)	**175,448**	**168,321**	**213,570**

Scope 3 GHG Emissions (tCO_2e)	2022	2023	2024
Category1: Purchased Goods and Services	5,151,064	4,726,308	5,714,946
Category2: Capital Goods	186,235	263,682	113,590
Category3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	19,116	18,474	12,852
Category4: Upstream Transportation and Distribution	85,622	101,539	340,280
Category5: Waste Generated in Operations	6,491	5,200	3,797
Category6: Business Travel	3,540	3,758	2,492
Category7: Employee Commuting	78,021	87,018	103,912
Category8: Upstream Leased Assets	35,236	30,299	25,892
Category9: Downstream Transportation and Distribution	162,190	163,945	293,896
Category10: Processing of Sold Products	-	-	-
Category11: Use of Sold Products**	25,821,408	26,673,327	32,165,367
Category12: End-of-Life Treatment of Sold Products	27,698	23,938	12,851
Category13: Downstream Leased Assets	35,236	-	218
Category14: Franchises	-	-	-
Category15: Investments	1,770	2,361	-
Others	-	-	-
Total Indirect Scope 3 GHG Emissions (tCO_2e)	**31,578,391**	**32,099,849**	**38,790,093**
Total Scope 1&2&3 GHG emissions (tCO_2e)	**31,753,839**	**32,268,170**	**39,003,663**

Please note that the increase in 2024 values is due to the expansion of our operational scope.
*Methodological updates were introduced in 2022 and 2023 to ensure more accurate accounting and reporting of Scope 2 emissions. As a result, our location-based and market-based Scope 2 emissions data have been changed accordingly.

GHG Emissions in the scope of Company's science-based targets approved by SBTi (tCO_2e)	2022	2023	2024
Scope 1-2 GHG Emissions (tCO_2e)			
Total Direct Scope 1 GHG Emissions	82,947	78,559	74,646
Location-based Scope 2 emissions	194,089	188,015	194,682
Market-based Scope 2 emissions	92,501	89,762	95,748
Total Indirect Scope 2 GHG Emissions	92,501	89,762	95,748
Percentage of Scope 1&2 GHG emissions reduction (%)	base year	4% reduction	3% reduction
Total Scope 1&2 GHG Emissions (tCO_2e)	175,448	168,321	170,394

Scope 3 GHG Emissions (tCO_2e)	2022	2023	2024
Scope 3 GHG Emissions - Category 11: Use of Sold Products (tCO_2e)	25,821,408	26,673,327	27,076,623
Percentage of Scope 3 GHG emissions reduction from use of sold products (%)	base year	3% increase	5% increase

GHG Emission Intensity	2022	2023	2024
Net revenue used to calculate GHG intensity (TRY million)	257,172	370,792	428,548
Total Scope 1 GHG emissions intensity (tCO_2e/TRY million)	0.32	0.21	0.21
Scope 2 location-based GHG emissions intensity (tCO_2e/TRY million)	0.8	0.5	0.6
Scope 2 market-based GHG emissions intensity (tCO_2e/TRY million)	0.36	0.24	0.29
Total Scope 2 GHG emissions intensity (tCO_2e/TRY million)	0.36	0.24	0.29
Total Scope 1&2 GHG emissions intensity (tCO_2e/TRY million)	0.68	0.45	0.50
Scope 3 GHG emissions intensity (tCO_2e/TRY million)	123	87	91
Total Scope 1, 2 & 3 GHG emissions intensity (tCO_2e/TRY million)	123.7***	87.5***	91.5
GHG emission intensity from use of sold products (tCO_2e/Product quantity)	0.63	0.65	0.66

**The coverage includes MDAs, SDAs, TVs and A/Cs
***As of 2024, consolidated revenue has started to be used. Therefore, 2022 and 2023 intensity calculations were recalculated using consolidated revenue values.

ANNEX 6. ENVIRONMENTAL PERFORMANCE INDICATORS

The environment data for 2022 and 2023 cover production facilities and joint ventures in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand, and India. Following the 2024 merger with Whirlpool, the reporting scope was expanded to include Beko Europe B.V. sites in Italy, Poland, Slovakia, the UK, and Beko Egypt. This boundary extension has caused change in 2024 data compared to previous years.

GHG EMISSIONS

GHG Removals and Storage	2022	2023	2024
Total GHG removals and storage (tCO_2e)	0	0	0

Biogenic Emissions	2022	2023	2024
Biogenic emissions of CO_2 from the combustion or biodegradation of biomass not included in Scope 1 GHG emissions (tCO_2e)	0	0	0
Biogenic emissions of CO_2 from combustion or biodegradation of biomass not included in Scope 2 GHG emissions (tCO_2e)	0	0	0
Biogenic emissions of CO_2 from combustion or biodegradation of biomass that occur in value chain not included in Scope 3 GHG emissions (tCO_2e)	0	0	0

Air Emissions	2022	2023	2024
NOx	407.8	202.1	167.8
VOC	6.1	1.1	7.6
SOx	1.9	3.0	3.0
TOC	35.5	37.6	40.9

Yearly Targets	
Metrics	**2024 Targets**
Total Direct Scope 1 GHG Emissions (tCO_2e)	110,746
Total Indirect Scope 2 location-based GHG Emissions (tCO_2e)	265,048
Total Indirect Scope 2 market-based GHG Emissions (tCO_2e)	126,539
Total Indirect Scope 2 GHG Emissions (tCO_2e)	126,539
Total Indirect Scope 3 GHG Emissions (tCO_2e)	43,068,102
Total Non-renewable energy consumption (MWh)	621,423
Total Renewable energy consumption (MWh)	349,350
Total Waste disposed (tonnes)	9,330
Net freshwater consumption (m^3)	495,828

Please note that the increase in 2024 values is due to the expansion of our operational scope.

ANNEX 6. ENVIRONMENTAL PERFORMANCE INDICATORS

ENERGY

The energy data for 2022 and 2023 cover production facilities and joint ventures in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand, and India. Following the 2024 merger with Whirlpool, the reporting scope was expanded to include Beko Europe B.V. sites in Italy, Poland, Slovakia, the UK, and Beko Egypt. This boundary extension has caused change in 2024 data compared to previous years.

Energy consumption by fuel type (GJ)	2022	2023	2024
Electricity (Non-renewable)	296,735	572,011	771,608
Electricity (Purchased renewable)	905,133	957,694	1,083,909
Electricity (Onsite renewable generation)	10,763	44,200	94,606
Natural gas	827,215	790,814	1,030,408
LPG	34,654	69,561	52,838
Fuel-Oil	387	110	0
Diesel	84,401	65,799	65,783
Biodiesel	695	117*	128
Gas	38,94	42,886	55,172
Bioethanol	311	143*	135
Propane	0	0	0
CNG	543	321	15
Hot Water	4,505	55,028	85,686
Steam	0	91,541	132,635
LNG	0	0	99
Total Energy Consumption	**2,204,282**	**2,690,225***	**3,373,022**

Energy consumption by category (GJ)	2022	2023	2024
Total energy consumption from fossil sources	1,287,380	1,688,071	2,194,243
Total energy consumption from nuclear sources	0	0	0
Total energy consumption from renewable sources	916,902	1,002,154	1,178,778
Fuel consumption from renewable sources	1,006	260	263
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	905,133	957,694	1,083,909
Consumption of self-generated non-fuel renewable energy	10,763	44,200	94,606
Fuel consumption from coal and coal products	0	0	0
Fuel consumption from crude oil and petroleum products	158,382	178,356	173,793
Fuel consumption from natural gas	827,215	790,814	1,030,408
Fuel consumption from other fossil sources	543	321	114
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	301,240	718,58	989,929
Percentage of energy consumption from nuclear sources in total energy consumption	0	0	0
Percentage of renewable sources in total energy consumption	41.60%	37.25%	34.95%
Percentage of fossil sources in total energy consumption	58.40%	62.75%	65.05%

Energy saving (GJ)	2022	2023	2024
Total annual energy saving	**94,324**	**95,680**	**59,901**

Financial Energy Saving (TRY)	2022	2023	2024
Financial saving from energy efficiency projects	43,920,631	40,833,009	48,725,533
Financial saving from renewable energy projects	9,387,373	36,621,093	107,209,851
Total annual financial energy saving	**53,308,004**	**77,454,102**	**155,935,384**

Energy production (GJ)	2022	2023	2024
Non-renewable energy production	0	0	0
Renewable energy production	10,763	44,200	114,260
Total energy production	**10,763**	**44,200**	**114,260**

Energy Attributes for Scope 2 GHG Emissions**	2022	2023	2024
Ratio of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions (%)	13.80%	10.45%	4.81%
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions (%)	64.97%	46.7%	47.27%

Energy Consumption by source (MWh)***	2022	2023*	2024
Total non-renewable energy consumption (A)	357,606	468,909	609,512
Total renewable energy consumption (B)	254,695	278,376	327,438
Total energy consumption (A+B)	**612,301**	**747,285**	**936,951**

Energy intensity****	2022	2023	2024
Net revenue used to calculate GHG intensity (TRY million)	**88,807**	**312,470**	**428,548**
Energy intensity (Total energy consumption/Revenue) (MWh/TRY million)	6.89	2.39	2.19
Energy intensity of direct energy (GJ/TRY million)	11.24	3.24	3.03
Energy intensity of indirect energy (GJ/TRY million)	13.58	5.36	4.84

Please note that the increase in 2024 values is due to the expansion of our operational scope.

*2023 biodiesel and bioethanol consumption data have been updated by taking the respective content ratios into account. This update has also led to changes in other KPIs related to total energy consumption. The final energy consumption data has changed accordingly and been revised compared to the 2023 reporting period.

**These ratios have been calculated based on the scope of energy data for the respective years.

****Methodological updates were introduced in 2022 and 2023 to ensure consistency in the classification of on-site renewable energy, which has led to changes in the data reported in 2022 and 2023.*

*****In 2022 and 2023, the energy intensity values were calculated based on the revenues of the operations included in the energy data scope for each respective year. In 2024, the scope was expanded to cover all operations; therefore, global revenue was used in the calculation. Methodological updates were introduced in 2022 and 2023 to ensure consistency in the classification of on-site renewable energy. Accordingly, limited variations have been observed in the energy intensity indicators across the relevant reporting years.*

As of 2023, revenue figures have been presented in accordance with inflation accounting standards. This adjustment should be taken into account when evaluating year-over-year trends and revenue-based energy intensity indicators.

ANNEX 6. ENVIRONMENTAL PERFORMANCE INDICATORS

The environment data for 2022 and 2023 cover production facilities and joint ventures in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand, and India. Following the 2024 merger with Whirlpool, the reporting scope was expanded to include Beko Europe B.V. sites in Italy, Poland, Slovakia, the UK, and Beko Egypt. This boundary extension has caused change in 2024 data compared to previous years.

WATER

Water Withdrawal by Source (m³)	2022	2023	2024
Third party sources - Municipal water	691,730	923,058	1,441,956
Third party sources - Water tanker	4,399	0	1,027
Groundwater	747,363	794,781	886,728
Surface Water	0	0	41,998
Rainwater	46,613	54,089	40,934
Total water withdrawal	**1,490,105**	**1,827,807****	**2,467,977**

Water Discharge by Destination (m³)	2022	2023	2024
Fresh surface water	0	0	0
Groundwater	0	0	0
Third-party destinations (municipal sewage line connected to municipal/industrial wastewater treatment plant)	1,272,739	1,579,893	2,000,535
Total water discharge	**1,272,739**	**1,579,893**	**2,000,535**

Water Consumption (m³)	2022	2023	2024
Total water consumption***	**217,366**	**247,914**	**467,442**

Water Intensity (m³/TRY million)	2022	2023	2024
Water Withdrawal Intensity*	5.79*	4.93*	5.76*

Water Pollutants (tonnes)	2022	2023	2024
Total Chemical Oxygen Demand (COD)	267	352	253
Total Suspended Solid (TSS)	-	101	56
Total Oil and Grease	-	21.9	5.3
Total Nitrites (NO_2-N)	-	3.7	0.11
Total Chromium	-	0.11	0.52
Total Lead (Pb)	-	0.15	0.05
Total Cadmium (Cd)	-	0.05	0.009
Total Nickel (Ni)	-	0.1	0.889

Water Pollutant Intensity (tonnes/ TRY million)	2022	2023	2024
Total Chemical Oxygen Demand (COD)*	0.00104*	0.00095*	0.00059*

Water Recycled or Reused	2022	2023	2024
Water recycled and reused (m³)	110,036	124,378	182,716
Recycled and reused water ratio (%)	9%	7%	8%

Areas with Water Stress	2022	2023	2024
Water withdrawal from "high" water stress locations (m³)	443,591	488,668	493,539
Rate of water withdrawal from "high" water stress locations compared to total water withdrawal	30%	27%	20%
Water discharge at "high" water stress locations (m³)	420,552	424,696	424,569
Rate of water discharge at "high" water stress locations compared to total water discharge	33%	27%	21%
Water consumption at "high" water stress locations (m³)	23,039	63,972	68,970
Rate of water consumption at "high" water stress locations compared to total water consumption	11%	25%	15%
Water withdrawal from "extremely high" water stress locations (m³)	540,338	727,156	907,764
Rate of water withdrawal from "extremely high" water stress locations compared to total water withdrawal	36%	40%	37%
Water discharge at "extremely high" water stress locations (m³)	450,952	544,805	678,815
Rate of water discharge at "extremely high" water stress locations compared to total water discharge	35%	35%	34%
Water consumption at "extremely high" water stress locations (m³)	89,387	182,351	228,950
Rate of water consumption at "extremely high" water stress locations compared to total water consumption	41%	73%	49%
Total water consumption in areas at water risk (m³)	**112,426**	**246,323**	**297,920**

Water Saved (m³)	2022	2023	2024
Total water saved annually	**176,984**	**288,973**	**223,650**

Please note that the increase in 2024 values is due to the expansion of our operational scope.

*As of 2024, consolidated revenue has been started to be used. Therefore, 2022 and 2023 intensity calculations were recalculated using consolidated revenue values.

**A total of 55,335 m³ of water, supplied from steam received from the third party, was included in the total water withdrawal.

***Total water consumption = Total water withdrawal - Total water discharge

ANNEX 6. ENVIRONMENTAL PERFORMANCE INDICATORS

The environment data for 2022 and 2023 cover production facilities and joint ventures in Türkiye, Romania, Russia, China, South Africa, Pakistan, Bangladesh, Thailand, and India. Following the 2024 merger with Whirlpool, the reporting scope was expanded to include Beko Europe B.V. sites in Italy, Poland, Slovakia, the UK, and Beko Egypt. This boundary extension has caused change in 2024 data compared to previous years.

Financial Saving (TRY)	2022	2023	2024
Financial saving from water efficiency and rainwater harvesting projects	1,912,588	3,530,335	1,201,482
Total annual financial water saving	**1,912,588**	**3,530,335**	**1,201,482**

Water Stored (m³)	2022	2023	2024
Total water stored	0	0	0
Changes in storage	0	0	0

WASTE

Waste by type (tonnes)	2022	2023	2024
Total hazardous waste disposal	2,700	4,565	5,470
Total non-hazardous waste	111,362	127,803	151,660
Total amount of radioactive waste	0	0	0
Total Waste	114,062	132,368	157,130

Hazardous waste directed to disposal (tonnes)	2022	2023	2024
Waste to recovery	1,838	3,122	3,961
Waste to incineration (with energy recovery)	301	722	528
Waste to incineration (without energy recovery)	12	190	200
Waste to landfill	513	470	325
Waste to other disposal operations	36	61	456
Total hazardous waste disposed onsite	0	0	0
Total hazardous waste disposed offsite	2,700	4,565	5,470
Hazardous waste diverted from disposal due to preparation for reuse	0	0	0
Hazardous waste diverted from disposal due to recycling	0	0	0
Hazardous waste diverted from disposal due to other recovery operations	1,838	3,122	4,489

Non-hazardous waste directed to disposal (tonnes)	2022	2023	2024
Waste to recovery	105,953	121,457	144,855
Waste to incineration (with energy recovery)	502	448	538
Waste to incineration (without energy recovery)	75	53	94
Waste to landfill	4,246	4,840	5,677
Waste to other disposal operations	586	1,004	367
Total non-hazardous waste disposed onsite	0	0	0
Total non-hazardous waste disposed offsite	111,362	127,803	151,531
Non-hazardous waste diverted from disposal due to preparation for reuse	0	0	0
Non-hazardous waste diverted from disposal due to recycling	0	0	129
Non-hazardous waste diverted from disposal due to other recovery operations	105,953	121,457	145,393

Waste intensity	2022	2023	2024
Net revenue used to calculate Waste intensity (TRY million)	257,172	370,792	428,548
Hazardous waste intensity (tonnes/ TRY million)*	0.010	0.01	0.01
Non-hazardous waste intensity (tonnes/ TRY million)*	0.43	0.345	0.35
Total waste intensity (tonnes/ TRY million)*	0.44	0.36	0.37

Non-recycled waste	2022	2023	2024
Ratio of non-recycled waste (%)	4%	5%	1.5%
Total non-recycled waste (tonnes)	**4,562**	**6,618**	**2,244**

Waste Prevented (tonnes)	2022	2023	2024
Total waste prevented annually	**3,097**	**307**	**374**

Financial Saving (TRY)	2022	2023	2024
Financial saving from waste projects	**1,551,791**	**1,691,878**	842,704
Total annual financial waste saving	**1,551,791**	**1,691,878**	842,704

Please note that the increase in 2024 values is due to the expansion of our operational scope.
*As of 2024, consolidated revenue has been started to be used. Therefore, 2022 and 2023 intensity calculations were recalculated using consolidated revenue values.

ANNEX 7. PRODUCT INDICATORS

Material Used (tonnes)	2022	2023	2024
Product Materials (including plastic, metal and components)	984,185	1,125,605	1,526,591
Chemicals	1,178*	840*	680
Packaging Materials	78,425	87,090	111,011
Total Material Used (tonnes)	**1,074,387**	**1,234,350**	**1,638,282**

Recycled Material (tonnes)	2022	2023	2024
Total recycled plastics used for products	13,207	16,543	27,835

Refurbished Products (number)	2022	2023	2024
Total refurbished products	54,629	66,370	114,468

Energy Efficient Products	2022	2023	2024
Percentage of eligible products certified under the ENERGY STAR®	0.80	0.56	0.37
Percentage of eligible products by revenue certified to the ENERGY STAR® program	1.1	0.65	0.55
Percentage of energy efficient product (by unit count)**	71.7	74.4	76.3
Percentage of total revenue from energy efficient products***	49.4	50.2	61.9
Percentage of eligible products by revenue certified to an energy efficiency certification****	N/A	N/A	68.8

Resource Efficient Products	2022	2023	2024
Percentage of total revenue from products that included recycled and/or bio composite plastic materials	41.2	51.3	43.9
Percentage of total revenue from reduced raw materials (resource efficiency) in products and packaging	33.5	38.3	28.3

Low Carbon Products	2022	2023	2024
Percentage of total revenue from low carbon products	61.7	62.4	71.5
Total avoided emissions from reduced raw materials (resource efficiency) and recycled content in products (tCO_2e)	30,072	46,796	68,272
Total avoided emissions for third parties (energy efficient products) (tCO_2e)	264,367	316,294	581,044
Total avoided emissions by low carbon products (tCO_2e)	294,439	363,090	649,316

*Corrections have been made to data misreported in the 2022 and 2023 reporting periods.
**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.

Definition:
***Energy efficient products:** It refers 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 the countries listed below.

****Eligible products certified to an energy efficiency certification:** It refers to products that meet the energy efficiency requirements set by recognized certification programs, as outlined below. Eligible products 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 other product categories, the applicable jurisdictional or international certification programs recognized in each country are listed below.

Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products
Australian Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Tumble Dryer	Malaysia Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Air conditioner	Indonesia, Maldivies, Philippines Labels	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner
Russian, Uzbekistan, Turkmenistan, Tajikistan, Kazakhstan Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	Thailand Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	Mauritius Label	Refrigerator (Cooling)
EU Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner	Israel Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Oman Label	Refrigerator (Cooling)
USA Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer	Egypt Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Taiwan Label	Front load Washing Machine Refrigerator (Cooling)
China Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Iraq Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	India Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner
Hong Kong Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Washer Dryer	UAE Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Ukranie (Old EU Label and Current EU Label)	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner
Vietnam Label	Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	South Africa Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer	Palestine Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)
Singapore Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Saudi Arabia Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Other Countries: Since energy labels are not available for other countries, only products sold with the EU Label, Old EU Label, and Energy Star program have been taken into consideration.	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner

ANNEX 7. PRODUCT INDICATORS

Recycled or bio composite plastic materials used in products: It refers to improving the circularity of materials from the use of recycled materials. The coverage is products which include recycled plastics and/or bio composite materials.

↘ For further information regarding recycled and bio-composite material in products, please refer to the Recycled and Bio-Composite Material in Products section of this Report.

Products and packaging reduced usage of raw materials: It refers to the reduced environmental impact that results from the production phase of products. The coverage is products which material reduction in comparison with the previous model. The material could be any material usage in product and/or packaging such as plastic, metal, hazardous chemical, packaging.

↘ For further information regarding material reduction, please refer to the Product Packaging section of this Report.

Low carbon products: It refers to products that use less raw materials, recycled raw materials and consume less energy and water than the lowest allowable energy and water efficiency classes. Those three criteria contribute to the low carbon product calculation.

Avoided Emissions Calculation Methodology

Avoided Emissions from reduced raw materials and recycled content in products was calculated by amount of total recycled plastic and bio composite plastic consumption and amount of reduced raw material weights and multiplied these amounts with material emission factors from DEFRA database published by UK Government.

Avoided Emissions from third parties (energy efficient products) were calculated by multiplying energy saving amount from energy-efficient sold products in reporting year with electricity emission factor.

Annual Production***** (units)	2024
White Goods	32,494,752
Consumer Electronics	1,183,811
Other	1,546,239

End of Life Responsibility	2021	2022	2023	2024
Percentage of takeback WEEE reused/resold/recycled in Türkiye	99.9%	96%	99%	97%

Environmental Impacts of Products During Their Life Cycle	2021	2022	2023	2024
Percentage of eligible products by revenue certified to an environmental product lifecycle standard	0	0	0	0
Percentage of revenue from products certified with Type I eco-labels (ISO 14024)	0	0	0	0

Product Safety	2021	2022	2023	2024
Percentage of significant product and service categories for which health and safety impacts are assessed	100	100	100	100
Number of recalls issued	0	0	0	1
Total units recalled	0	0	0	3,566

*****White goods reportable segment comprises washing machines, dryers, dishwashers, refrigerators, ovens, cooking appliances and the services provided for these products. The consumer goods reportable segment comprises televisions primarily with flat screens, computers, cash registers, other electronic devices and the services provided to consumers for these products. Other segment comprises the revenues from air conditioners, small domestic appliances except products included in white goods and consumer electronics.

ANNEX 8. CORPORATE CITIZENSHIP INDICATORS

TOTAL MONETARY VALUE OF CORPORATE CITIZENSHIP/PHILANTHROPIC CONTRIBUTIONS

Total Amount of Contribution by Type (TRY)	2022	2023	2024
Cash contributions	19,939,248	68,211,377	19,927,475
Time: employee volunteering during paid working hours	186,492	4,948,095	458,154
In-kind giving: product or services donations, projects/partnerships or similar	17,246,976	344,234,384	281,875,412
Management costs (overheads)	39,193,055	0	1,157,564
Total Spending on Corporate Citizenship Activities	**56,646,462**	**417,393,856**	**303,418,606**

DISTRIBUTION OF TOTAL MONETARY VALUE (AT COST) OF CORPORATE CITIZENSHIP / PHILANTHROPIC CONTRIBUTIONS

Percentage of Contribution by Type (%)	2022	2023	2024
Cash contributions	26%	16.3%	6.6%
Time: employee volunteering during paid working hours	0.2%	1.2%	0.1%
In-kind giving: product or services donations, projects/partnerships or similar	22.5%	82.5%	9.9%
Management costs (overheads)	51.2%	0%	0.4%

TYPE OF PHILANTHROPIC ACTIVITIES

Total Cost by Category (%)	2022	2023	2024
Charitable Donations	23%	88%	13.4%
Community Investments	66%	4%	85.2%
Commercial Initiatives	11%	8%	1.4%

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

WORKFORCE, TALENT ATTRACTION AND RETENTION

Number of Employees (FTE[1] at the end of year) by Employment Type	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees	11,089	29,941	41,030	11,135	29,392	40,527	15,440	37,579	53,019
Number of monthly paid employees	3,479	7,418	10,897	3,433	7,011	10,444	4,831	9,099	13,930
Number of hourly paid employees	7,610	22,523	30,133	7,702	22,381	30,083	10,609	28,480	39,089
Number of permanent employees	NA						13,780	32,400	46,180
Number of temporary employees							1,660	5,179	6,839
Number of non-guaranteed hours employees							31	48	79

	2022			2023			2024		
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total
Number of employees by work hours classification	41,026	4	41,030	40,468	59	40,527	52,862	157	53,019

Number of Non-employees (FTE[1] at the end of year) by Employment Type/Form	2022			2023			2024		
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total
Number of subcontracted employees (non-employees) by employment type/form	6,569	2,944	9,513	7,095	319	7,414	7,762	1,634	9,396

1 Full Time Equivalent (FTE): Full Time Employees + 0.5 x Part Time Employee

Number of Employees (FTE[1] by the end of year) by Region/ Country and Employment Type	2024					
Region/Country	Total number of employees	Number of monthly paid employees	Number of hourly paid employees	Number of permanent employees	Number of temporary employees	Number of non-guaranteed hours employees
Türkiye	18,268	4,107	14,161	16,470	1,798	0
APAC	4,126	1,806	2,320	3,940	186	0
South Asia	6,160	1,303	4,857	2,784	3,376	0
Europe	17,830	5,549	12,281	16,904	926	2
Middle East & Gulf	46	46	-	45	1	0
Sub-Saharan Africa	2,075	343	1,732	2,074	1	77
North Africa	868	193	675	868	-	0
North America	75	54	21	75	-	0
Russia & Central Asia	3,571	529	3,042	3,020	551	0
Total	53,019	13,930	39,089	46,180	6,839	79

1 Full Time Equivalent (FTE): Full Time Employees + 0.5 x Part Time Employees

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

Number of Employees (head count)	2024		
	Women	Men	Total
Number of employees by gender	15,572	37,603	53,175

Number of employees by country	2024
Türkiye	18,268
Italy	4,359
Romania	4,256
Poland	4,202
Pakistan	3,650
Russia	3,527
Thailand	2,869
United Kingdom	2,433
Bangladesh	2,327
South Africa	2,075
Slovakia	980
Egypt	818
China	772
Germany	417
France	319
India	183
Taiwan	126
Belgium	113
Netherlands	110
Spain	106
Indonesia	102
Austria	88
Switzerland	75
Czech	75
Serbia	70
US	68
Malaysia	67
Ireland	61
Ukraine	60
Norway	50

Hiring[1]	2022		2023		2024	
	Women	Men	Women	Men	Women	Men
Percentage of new employee hires	41%	59%	40%	60%	39%	61%
Number of new employee hires	586	857	443	668	2,097	3,289
Number of new employee hires at junior/low level management	20	41	12	39	267	579
Number of new employee hires at middle level management	19	42	11	43	103	217
Number of new employee hires at senior/top level management	3	6	0	3	3	11

1 The scope is for monthly waged FTEs globally

Number of New Employee Hires by Countries by Region/ Country and Gender	2023		2024	
	Women	Men	Women	Men
Türkiye	186	250	121	204
APAC	109	135	81	88
South Asia	36	134	26	103
Europe	71	76	1,790	2,771
Middle East & Gulf	4	3	13	20
Sub-Saharan Africa	11	10	13	14
North Africa	4	40	21	62
North America	3	5	14	14
Russia & Central Asia	20	15	18	13

Internal Hires (%)	2022	2023	2024
Open positions filled by internal candidates (internal hires)	39	56	63
Women	28	32	37
Men	72	68	63
Junior/low level management	24	15	8
Middle level management	14	15	18
Senior/top level management	2	1	2

Hiring Cost (TRY/FTE)	2022	2023	2024
Average hiring cost per employee	13,397	45,733	63,685

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

Promotion (%)	2022		2023		2024	
	Women	Men	Women	Men	Women	Men
Percentage of employees promoted	33	67	35	65	33	67

Employee Turnover Rates (%)	2022	2023[1]	2024
Total employee turnover rate (Voluntary+Involuntary)	12.8	13.4	16.9
Voluntary employee turnover rate	6.6	9.4	11.8
Involuntary employee turnover rate	6.2	4	5.1

Employee Turnover Rates by Region/Country (%)	2023[1]	2024
Türkiye	15	24
APAC	13	12
South Asia	6	11
Europe	13	11
Middle East & Gulf	17	25
Sub-Saharan Africa	13	9
North Africa	4	11
Russia & Central Asia	20	17
North America	37	46

Number of Employees Who Left	2024
Employees who have left the company (Voluntary+Involuntary)	7,654
Employees who have left the company (Voluntary)	5,361
Employees who have left the company (Involuntary)	2,293

Total Employee Turnover Rates (%)	2022	2023[1]	2024
Women	13.3	11.6	14.6
Men	12.6	13.9	17.9
Under 30 years old	29	15.7	31.3
30-50 years old (including 30 and 50 years old)	8.4	10.1	14.4
Over 50 years old	11.2	19.3	13.5
Non-management level	NA	NA	17.2
Junior/low level management	10.3	12.3	11.1
Middle level management	7.6	10	14.2
Senior/top level management	2.6	5.2	11.9

Voluntary Employee Turnover Rates (%)	2022	2023[1]	2024
Women	7.4	8	10.5
Men	6.3	10	12.4
Under 30 years old	15.3	11	24.9
30-50 years old (including 30 and 50 years old)	4.5	8	10.1
Over 50 years old	4.4	13	7.3
Non-management level	NA	NA	12.3
Junior/low level management	6.8	6.5	7.8
Middle level management	3.6	5.1	4.6
Senior/top level management	0.9	1.8	3.2

Involuntary Employee Turnover Rates (%)	2022	2023[1]	2024
Women	5.9	4	4.1
Men	6.4	3.9	5.5
Under 30 years old	13.7	4.5	6
30-50 years old (including 30 and 50 years old)	3.9	3	4.4
Over 50 years old	6.7	8.6	6.2
Non-management level	NA	NA	5
Junior/low level management	3.6	5.9	3.3
Middle level management	4	4.9	9.6
Senior/top level management	1.7	3.5	8.8

1- To ensure more accurate turnover rates, we have revised our data for 2023 to exclude hourly-paid fixed-term employees, as their contracts are temporary by nature and including them would impact the results by automatically factoring in individuals who are expected to leave at the end of their term.

2- In 2024, our company faced significant challenges due to global market conditions, resulting in an increase in both involuntary and voluntary turnover rates.

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

Employees by Working Years	2022		2023		2024	
	Women	Men	Women	Men	Women	Men
Number of employees working for a period of 0-5 years	4,820	11,680	4,371	10,298	5,429	14,328
Number of employees working for a period of 5-10 years	2,322	5,921	2,445	5,986	3,303	6,363
Number of employees working for a period of more than 10 years	3,947	12,340	4,320	13,109	6,709	16,887
Average seniority years	9.5	10	10.1	11	11	11
	9.8		10.4		11	

Trend of Employee Engagement (%)	2022	2023	2024
Employee engagement	69	66	61
Employee engagement participation	88	80	71
Women	69	69	62
Men	69	64	60
Under 30 years old	70	61	57
30-50 years old (including 30 and 50 years old)	68	62	61
Over 50 years old	75	77	66
Junior/low level management	70	67	60
Middle level management	79	80	70
Senior/top level management	91	89	87
Employees with top level of engagement	29	24	24

Collective Bargaining (%)	2022	2023	2024
Employees covered by collective bargaining agreements in countries where we have manufacturing plants	66	68	78

DIVERSITY AND INCLUSION

Workforce (FTE) by Gender and Age Groups	2022		2023		2024	
	Women	Men	Women	Men	Women	Men
Number of employees by gender	**11,089**	**29,941**	**11,135**	**29,392**	**15,440**	**37,579**
Percentage of employees by gender (%)	27	73	27	73	29	71
Number of employees under 30 years old	**2,397**	**6,224**	**2,294**	**6,310**	**2,789**	**7,854**
Percentage of employees under 30 years old (%)	22	21	21	21	18	21
Number of employees 30-50 years old (including 30 and 50 years old)	**7,083**	**20,094**	**7,131**	**19,625**	**9,162**	**22,798**
Percentage of employees 30-50 years old (including 30 and 50 years old) (%)	64	67	64	67	59	61
Number of employees over 50 years old	**1,609**	**3,623**	**1,711**	**3,456**	**3,489**	**6,927**
Percentage of employees over 50 years old (%)	15	12	15	12	23	18
Number of subcontracted employees by gender	**3,539**	**5,974**	**2,385**	**5,029**	**3,099**	**6,297**

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

DIVERSITY AND INCLUSION

Gender Equality by Positions	2022		2023		2024	
	Women	Men	Women	Men	Women	Men
Number of employees in the total workforce	**11,089**	**29,941**	**11,136**	**29,392**	**15,440**	**37,579**
Percentage of employees in the total workforce (%)	27	73	27	73	29	71
Number of employees in all management positions, including junior, middle and senior management	**513**	**1,756**	**521**	**1740**	**789**	**2,297**
Percentage of employees in all management positions, including junior, middle and senior management (%)	23	77	23	77	26	74
Number of employees in top management positions ie. Maximum two levels away from the CEO or comparable positions	**31**	**85**	**31**	**84**	**35**	**95**
Percentage of employees in top management positions ie. Maximum two levels away from the CEO or comparable positions (%)	27%	73%	27%	73%	27%	73%
Number of employees in junior management positions, ie. First level of management	**208**	**651**	**228**	**687**	**426**	**1,175**
Percentage of employees in junior management positions, ie. First level of management (%)	24%	76%	25%	75%	27%	73%
Number of non-managerial positions	**2,966**	**5,662**	**2,912**	**5,271**	**4,042**	**6,802**
Percentage of non-managerial positions (%)	35%	65%	36%	64%	37%	63%
Number of employees in management positions in revenue-generating functions (eg. sales) as % of all such managers (ie excluding support functions such as HR, IT, Legal, etc.)	**141**	**611**	**192**	**857**	**257**	**1,009**
Percentage of employees in management positions in revenue-generating functions (eg. sales) as % of all such managers (ie excluding support functions such as HR, IT, Legal, etc.)	19	81	18	82	20	80
Number of employees in revenue generating functions	**6,837**	**17,675**	**1,121**	**3,061**	**1,375**	**3,641**
Percentage of employees in revenue generating functions (%)	28	72	27	73	27	73
Number of employees in STEM-related positions	**711**	**3,059**	**837**	**3,086**	**1,063**	**3,872**
Percentage of employees in STEM-related positions (%)	19	81	21	79	22	78
Number of the employees in IT positions	**118**	**327**	**128**	**316**	**152**	**385**
Percentage of the employees in IT positions (%)	27	73	29	71	28	72
Number of the employees in engineering positions	**349**	**1,516**	**484**	**1,969**	**536**	**2,070**
Percentage of the employees in engineering positions (%)	19	81	20	80	21	79
Number of the employees on entry level positions	**145**	**255**	**692**	**1,080**	**599**	**879**
Percentage of the employees on entry level positions (%)	36	64%	39	61	41	59
Number of subcontracted employees	**NA**	**NA**	**2,385**	**5,029**	**3,099**	**6,297**
Percentage of subcontracted employees (%)	37	63	32	68	33	67

Workforce by Nationality (%)	2022		2023		2024	
	Turkish	48	Turkish	49	Turkish	35
	Romanian	10	Romanian	11	Romanian	8
	Russian	9	Russian	8	Italian	8
	Thai	8	Thai	7	Polish	8
	Pakistani	7	Pakistani	7	Pakistani	7
	South African	5	South African	5	Russian	6
	Other	13	Other	12	Other	28

All Management Workforce by Nationality (%)	2022		2023		2024	
	Turkish	39	Turkish	42	Turkish	29
	Russian	7	Bangladeshi	7	Italian	13
	Thai	6	Thai	6	Polish	9
	Bangladeshi	6	Pakistani	6	British	6
	Pakistani	5	Russian	6	Pakistani	4.5
	Chinese	5	Chinese	6	Thai	4
	Other	32	Other	27	Other	35

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

Employees with Disabilities	2022		2023		2024	
	Women	Men	Women	Men	Women	Men
Number of employees with disabilities	114	583	137	608	630	402
Percentage of employees with disabilities (%)	1.7		1.8		1.9	
Number of employees with disabilities in top management	NA				0	1
Percentage of employees with disabilities in top management (%)					0.8	

Family Leave	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees that were entitled to parental leave	11,089	27,404	38,493	11,135	29,392	40,527	15,440	35,468	50,908
Percentage of employees that were entitled to parental leave (%)	29	71	100	27	73	100	30	70	100
Number of employees that were entitled to carer leave	NA						8,686	24,630	33,316
Percentage of employees that were entitled to carer leave							26	74	100

	2022	2023	2024
Return to work rates of women employees that took parental leave (%)	58	48	55
Retention rate of women employees employed by the company 12 months after their return from parental leave (%)	84	70	84
Percentage of employees that have access to lactation rooms, private spaces, and paid time off for breastfeeding (%)	84	64	80
Percentage of employees that have access to adoption leave and assistance (%)	NA	55	50
Percentage of employees that have access to paid time off in cases of bereavement or need for family support (%)	NA	99	99

LIVING WAGE INDICATORS

Living Wage Indicators	2024
Percentage of employees covered by a living wage benchmark analysis (%)	83.4%
Percentage of employees paid below living wage (%)	0

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

GENDER PAY INDICATORS

The scope for this section is for monthly waged FTEs globally.

Salaries By Level	2022[1]			2023			2024		
	Average Women Salary (TRY) & Ratio	Average Men Salary (TRY) & Ratio	Average (Women/ Men Salary)	Average Women Salary (TRY) & Ratio	Average Men Salary (TRY) & Ratio	Average (Women/ Men Salary)	Average Women Salary (TRY) & Ratio	Average Men Salary (TRY) & Ratio	Average (Women/ Men Salary)
Executive level (base salary only)	2,787,072	2,790,530	99.9%	4,550,668	4,556,786	99.9%	7,185,592	7,159,875	100.4%
	37x	37x		41x	41x				
Executive level (base salary + other cash incentives)	4,782,386	4,839,072	98.8%	7,507,101	7,618,704	98.5%	12,615,062	12,691,328	99.4%
	64x	64x		68x	69x				
Management level (base salary only)	861,388	854,074	100.9%	1,726,782	1,717,335	100.6%	2,895,386	2,875,732	100.7%
	11x	11x		16x	15x				
Management level (base salary + other cash incentives)	1,120,583	1,129,860	99.2%	2,251,515	2,244,507	100.3%	3,661,022	3,664,290	99.9%
	15x	15x		20x	20x				
Non-management level	341,418	349,687	97.6%	683,570	699,805	97.7%	1,115,792	1,145,782	97.4%
	5x	5x		6x	6x				

1 The salary amounts were corrected.

Gender Pay Gap Metrics	2022	2023	2024
Average pay gap (women to men)[1]	99.5%	99.4%	99.5%
Global mean (average) raw gender pay gap[2]	17%	19%	11.1%
Average pay gap levels[3]	NA		11.1%

Other Gender Pay Gap Metrics	2022	2023	2024
Percentage of women in top 10% compensated (%)	22	22	28
Percentage of women in the top pay quartile (%)	28	28	31
Percentage of women in the upper middle pay quartile (%)	35	35	36
Percentage of women in the lower middle pay quartile (%)	35	38	40
Percentage of women in the lower pay quartile (%)	36	40	38

1 Percentage of compensation for women to men.
2 The mean compensation for women is subtracted from the mean compensation for men, and then divided by the mean compensation of the higher compensation.
3 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.

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

TRAINING AND DEVELOPMENT

Overall Training and Development Indicators	2022	2023	2024
Total hours of training for employees (FTE[1]*hour)	1,185,376	1,304,926	1,166,146
Number of employees received training and development	36,055	37,149	47,495
Percentage of employees received training and development	88%	92%	90%
Number of employees received skill-based training	17,301	25,032	25,449
Percentage of employees received skill-based training	42%	62%	48%
Average hours of training and development per employee (hours/FTE[1])	28.7	32.2	22
Average amount spent per employee on training and development (TRY/FTE[1])	2,248	3,388	4,006

1 Full Time Equivalent (FTE): Full Time Employees + 0.5 x Part Time Employees

Training and Development Indicators by Gender and Age Groups	2022	2023	2024
	Average Hours		
Women	39.2	39.5	24.4
Men	23.5	29.4	21
Under 30 years old	31.3	55	40.3
30-50 years old (including 30 and 50 years old)	26.9	27	19.4
Over 50 years old	26	21.4	11.1
Junior/low level management	25.1	49.1	26.2
Middle level management	13.9	32.7	29.6
Senior/top level management	23.4	41.2	51.6

Training and Developments by Development Category	2022	2023	2024
	Average Hours		
Orientation	1.6	5.4	4.2
Purpose-Driven Programs	13.6	12.7	9
Competency Development	2.8	1.2	0.8
Leadership Development	0.3	0.8	0.6
Capability Development (Technical & Functional)	10.6	12.2	7.4

ANNEX 9. SOCIAL PERFORMANCE INDICATORS

Trainings by Subjects[1] - Employees	Average Hours		
	2022	2023	2024
Sustainability	0.1	0.2	0.3
Environment	0.5	0.8	0.4
Energy	N/A	0.3	0.3
Health & Safety	11	8.9	6
Chemicals	0.1	0.2	0.1
Regulations	0.7	0.7	0.9
Ethics	0.5	0.1	0.1
Diversity and Inclusion	0.6	1.6	1

1 Total training hours in training subject / Total number of employees in the workforce

Trainings by Subject - Subcontractors	Total Training Hours (person x hour)	
	2023	2024
Health & Safety	26,978	40,593
Ethics[1]	568	3,429

1 The scope of data is limited to Türkiye only.

Trainings by Subjects - Employees	2022			2023			2024			
	Average Training Hours[1]	Number of unique employees attended	Percentage of employees	Average Training Hours[1]	Number of unique employees attended	Percentage of employees	Average Training Hours[1]	Total Training Hours	Number of unique employees attended	Percentage of employees
Environment	0.5	6,151	15%	0.8	11,537	28%	0.4	19,505	9,074	17%
Energy		NA		0.3	7,643	19%	0.3	13,547	6,291	12%
Health & Safety	11	31,614	77%	8.9	28,701	71%	6	318,607	23,064	44%
Ethics	0.5	17,150	42%	0.1	2,543	6%	0.1	4,144	3,411	6%

1 Total training hours in training subject / Total number of employees in the workforce

Performance Evaluation	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees subjected to regular performance and career development evaluation	3,179	6,930	10,109	3,448	7,030	10,478	4,885	9,905	13,980
Number of employees covered by multidimensional performance appraisal	6,591	20,524	27,115	7,669	22,349	30,018	10,468	28,280	38,748

ANNEX 10. OCCUPATIONAL HEALTH AND SAFETY INDICATORS

OHS Indicators of Employees	2022	2023	2024
Total working hours	82,067,691	84,920,583	98,463,067
Number of days lost to work-related injuries and relevant fatalities	1,050	2,486	2,080
Number of work-related fatalities	0	0	0
Number of recordable work-related accidents	200	240	185
Number of work-related injuries caused the employees to lose at least a working day	74	128	88
Number of recordable work-related injuries (including no-lost-time injuries and fatalities)	200	240	185
Occupational diseases often observed	Occupational diseases with physical factors, stress, anxiety	Occupational diseases with physical factors, stress, anxiety, cardiovascular disease	Occupational diseases with physical factors
Number of cases with occupational diseases	5	9	7
Rates of OHS Indicators for Employees	**2022**	**2023**	**2024**
Lost Time Injury Frequency Rate[1]	0.9	1.51	0.89
Injury Severity Rate[2]	0.013	0.03	0.02
Safety Factor[3]	0.012	0.05	0.019
Total Recordable Injury Rate[4]	2.44	2.83	1.88
Total Recordable Accident Rate[5]	2.44	2.83	1.88
Occupational Disease Rate[6]	0.06	0.10	0.07

OHS Indicators of Contractors	2022	2023	2024
Total working hours	11,757,716	11,814,842	14,119,984
Number of days lost to work-related injuries and relevant fatalities	217	248	176
Number of work-related fatalities	0	0	1
Number of work-related injuries caused the employees to lose at least a working day	31	38	17
Number of recordable work-related injuries (including no-lost-time injuries and fatalities)	31	64	43
Occupational disease often observed	Not observed*	Not observed*	Not observed
Number of cases with occupational diseases	0	0	0
Rates of OHS Indicators for Contractors	**2022**	**2023**	**2024**
Lost Time Injury Frequency Rate[1]	2.64	3.21	1.20
Injury Severity Rate[2]	0.018*	0.021	0.01
Safety Factor[3]	0.049*	0.067	0.015
Total Recordable Injury Rate[4]	2.64	5.41	3.05
Occupational Disease Rate[6]	0	0	0
OHS Indicators of Employees and Contractors	**2022**	**2023**	**2024**
Total working hours	93,825,407	96,735,425	112,583,053
Number of work-related fatalities	0	0	1
Number of work-related injuries caused the employees to lose at least a working day	105	166	105
Number of recordable work-related injuries (including no-lost-time injuries and fatalities)	231	304	228
Number of cases with occupational diseases	5	9	7
Rates of OHS Indicators for Employees and Contractors	**2022**	**2023**	**2024**
Lost Time Injury Frequency Rate[1]	1.12	1.72	0.93
Total Recordable Injury Rate[4]	2.46	3.14	2.02

* Corrected due to a minor error

[1] Lost Time Injury Frequency Rate = (Number of **work-related** injuries caused to lose at least a working day / Total working hours) * 1,000,000

[2] Injury Severity Rate = (Number of lost days due to **work-related** injuries excluding fatalities / Total working hours) * 1,000

[3] Safety Factor= Lost Time Injury Frequency Rate * Injury Severity Rate

[4] Total Recordable Injury Rate= (Number of **work-related** injuries including no-lost-time injuries and fatalities / Total working hours) * 1,000,000

[5] Total Recordable Accident Rate= (Number of **work-related** accidents including no-lost-time injuries and fatalities / Total working hours) * 1,000,000

[6] Occupational Disease Rate = (Number of **cases** occupational diseases / Total working hours) * 1,000,000

ANNEX 11. SUPPLIER PERFORMANCE INDICATORS

SUPPLIER ESG PROGRAM INDICATORS

The Program covers Tier 1 and Tier 2 material and OEM suppliers.

Overall Supplier Information	2022	2023	2024
Tier-1 material suppliers (number)	2,046	2,056	2,654
Overall purchasing volume of Tier-1 material suppliers (EUR)	Approximately 4.5 billion	Over 4.5 billion	Over 7 billion
Countries of the Tier-1 material suppliers (number)	60+ countries	60+ countries	60+ countries
Geographical spread of the Tier-1 suppliers in terms of purchasing volume (%)	Türkiye: 34 Asia: 33 Europe: 26 South Africa: 5 United States of America: 1 Middle East: 1	Türkiye: 36.7 Asia: 37.5 Europe: 18.9 South Africa: 5.7 United States of America: 0.6 Middle East: 0.6	Türkiye: 38.7 Asia: 19.8 Europe: 38.3 South Africa: 1.3 United States of America: 0.9 Middle East: 0.8
Local Tier-1 direct and indirect suppliers	3,730	4,311	7,046
Payments made to local suppliers in Tier-1 supplier payments in total payments (%)	59	59	58
Percentage of targeted suppliers that have signed our Responsible Purchasing Policy (supplier code of conduct) (%)	100	100	100

Supplier Screening	2022	2023	2024
Significant suppliers in Tier-1	488	593	723
Our purchasing volume on significant suppliers in Tier-1	83.4	93.4	87.9
Significant suppliers in Tier-2	1,411	1,901	398

Supplier ESG Assessment	2022	2023	2024
Unique significant Tier-1 suppliers assessed (number)	237	334	401
Our purchasing volume of the assessed significant Tier-1 suppliers (%)	NA	58.6	56.9
Unique significant Tier-1 subjected ESG assessment (number)	159	253	283
Unique significant Tier-1 subjected to business ethics audits (number)	128	197	151
Geographical spread of the Tier-1 suppliers assessed	74.3% from Türkiye 14.3% from Asia and 11.4% from Europe	66% from Türkiye, 23% from Asia and 11% from Europe	Türkiye: 53.92% Asia: 27.21% Europe: 17.89% South Africa: 0.98%
Unique significant Tier-2 suppliers assessed	NA	NA	7

Supplier Assessment Findings	2022	2023	2024
Unique significant suppliers with substantial potential/actual negative impacts (number)	58	104	146
Unique significant suppliers with substantial potential/ actual negative impacts supported in corrective action plan implementation (number)	10	17	27
Percentage of unique significant suppliers with substantial potential/actual negative impacts that agreed to work on corrective action plan (%)	100	100	100
Terminated supplier contracts due to ESG incompliance (number)	0	0	0
Terminated or not renewed supplier contract due to violations related to corruption (number)	0	0	0

ANNEX 11. SUPPLIER PERFORMANCE INDICATORS

Supplier Development Programs	2022	2023	2024
Sustainability training to suppliers (person*hour)	559	482	495
ESG related findings from the assessment of unique significant suppliers (number)	2,737	2,465	2,356
Improved ESG related findings from the assessment of unique significant suppliers (number)	1,026	650	1,210
Unique significant suppliers in capacity building programs (number)	237	206	98
On-site visits on cycle time improvement, energy efficiency, quality (number)	186 visits to 594 suppliers	752 visits to 193 suppliers	38 visits to 25 suppliers
On-site audits on quality (number)	44	60	242
Sustainable procurement training to employees at purchasing team (person*hour)	10	55	59
Percentage of employees at purchasing team who received training on sustainable procurement (%)	NA	NA	27

CONFLICT MINERALS MANAGEMENT INDICATORS

↗ For further details, please refer to Arçelik Conflict Minerals Report

Supplier Conflict Minerals Assessment	2022	2023	2024
Suppliers in Tier-1 that we shared a conflict mineral survey (number)	462	483	623
Respond rate to the survey (%)	73	67	86
Smelters or refiners (SORs) that are reported through the survey by the suppliers in Tier-1 (number)	289	350	397

Responsible Minerals Initiative (RMI) Status of Smelters or Refiners (SORs)	2022	2023	2024
SORs which are conformant and certified as conflict free (number)	206	215	235
SORs which are committed to undergo responsible minerals assurance process (RMAP) (number)	5	11	3
SORs which are not conformant but under process (number)	59	89	94
SORs which are not conformant and not certified as conflict free (number)	19	23	35

ANNEX 12. ECONOMIC PERFORMANCE INDICATORS

Financial Indicators (in TRY Million)	2024
Net Sales	428,548
Increase in Net Sales (%)	+15.4%
Net Sales by Regional Distribution	
Türkiye	138,873
Europe	208,279
Asia Pacific	45,041
Africa	18,363
Other	17,992
Net Sales by Product Group	
White goods	329,739
Consumer electronics	22,156
Other	76,653
EBITDA	22,297
EBITDA Margin (%)	5.2%
Adjusted EBITDA*	22,927
Adjusted EBITDA Margin (%)*	8.2%
Total Assets	397,726
Increase in Assets (%)	+6.7%
Net Debt (excl. lease liabilities)	87,110
Total Equity	75,063
Net Income**	- 2,207
Earnings per share (cent)	2.783
Share buybacks	11,523
Total capital expenditures (CapEx)	23,796
Total operating expenditures (OpEx)	112,355
Total research and development expenses	4,849

Direct Economic Value Generated and Distributed (in TRY Million)	2024
Economic value generated (A)	**428,548**
Revenue	428,548
Economic value distributed (B)	
Operating costs (excl. payments to employees)	377,686
Employee wages and benefits	45,114
Payments to providers of capital (Dividends)	0
Payments to government	-896
Payments to community	303
Economic value retained (A-B)	6,341

Defined Benefit Plan Obligations and Others Retirement Plans (in TRY Million)	2024
Estimated amount	4,063
Percentage of employees covered by pension or/and benefit plan	95

Human Capital Return on Investment Metric (in TRY Million)	2024
Revenue (A)	428,548
Total Operating Expenses (B)	377,686
Employee wages and benefits (C)	45,114
Human Capital Return on Investment (A - (B-C)) / C)	2.13

* The adjusted EBITDA amount has been calculated by excluding expenses incurred in business combinations.
** Net Income indicates parent share of the profit for the period.

Please note that inflation accounting has been applied to data of this Annex according to IAS 29 Financial Reporting in Hyperinflationary Economies. For further information about "inflation accounting", "financial assistance received from government" and "tax strategy, governance, control, and risk management", please refer to 2024 Annual Report.

ANNEX 13. EU TAXONOMY

The Company is committed to reporting on implementing the requirements and criteria in regulation and all delegated acts by the time of publication of the Report. In this context, the following disclosures and tables are based on the EU Taxonomy Regulation (EU 2020/852) and Delegated Acts (Climate Delegated Act - EU 2021/2139, Disclosures Delegated Act - EU 2021/2178, Complementary Climate Delegated Act - EU 2022/1214, amending the Climate Delegated Act - EU 2023/2485 and Environmental Delegated Act - EU 2023/2486).

ELIGIBLE ECONOMIC ACTIVITIES:

- The Company's primary economic activities, based on the Nomenclature of Economic Activities (NACE), are a manufacturer of energy efficiency equipment for buildings in connection with the Climate Change Mitigation (CCM) objective and a manufacture of electrical and electronic equipment in connection with the Transition to Circular Economy (CE) objective.
- In addition, "installation, maintenance and repair of energy efficiency equipment" in connection with the CCM objective, "repair, refurbishment and remanufacturing", "sale of second hand goods" and "sale of spare parts" in connection with the CE objective are economic activities that are also relevant to us but about which we have not reported on as they have a minor economic impact for us.

SUBSTANTIAL CONTRIBUTION:

- The Company's eligible economic activities related to the CCM objective are:
  - household appliances*, space heating and domestic hot water systems, cooling and ventilation systems rated the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369,
  - heat pumps compliant with the technical screening criteria set out in Section 4.16 of Taxonomy Annex.

  *including tumble dryer, dishwasher, freezer& refrigerator, oven, hood, televisions, washer dryer, washing machine

  - The above-mentioned product groups are sold to the member states of the European Union, Great Britain, Norway, Switzerland, Albania, Bosnia and Herzegovina, Iceland, Kosovo, Montenegro, Macedonia, Serbia, Ukraine and Türkiye markets are assessed as taxonomy eligible. The energy labelling standards in these countries comply with Regulation (EU) 2017/1369.
  - Only products sold by our own brands are included.
  - Products, brands, and markets not mentioned above are classified as taxonomy non-eligible activities.
- As part of the evaluation conducted under the transition to CE objective, the reporting could not be carried out since the Company does not meet some of the key criteria for making a substantial contribution. However, the eligible economic activities' product ranges, brands, and markets are the same as those specified in the CCM objective.
- The values reported herein include the companies that became part of the Group in April 2024, following the completion of transactions through which Arçelik assumed control of Whirlpool Corporation's manufacturing, sales, and marketing subsidiaries in Europe under Beko Europe BV, and Beko B.V. acquired Whirlpool's operations and subsidiaries in the Middle East and North Africa region.

DO NO SIGNIFICANT HARM (DNSH):

The Company's climate mitigation economic activities meet with the do no significant harm to the other environmental objectives including climate change adaptation, water and marine resources, circular economy, pollution, and biodiversity and ecosystems. The analysis of existing environmental procedures was conducted to verify compliance with the DNSH criteria for each manufacturing facility ensuring alignment with the specific requirements set for each of the following environmental objectives.

Climate change adaptation: We identify our sustainability-related risks and opportunities by following global, regional, and sectoral trends and analyses, climate scenarios, and stakeholder feedback. It is essential for the company to integrate the risks arising from the climate crisis and other ESG-related risks into the Enterprise Risk Management System to execute the relevant action plans in line with the company's Net Zero 2050 and corporate sustainability strategy. We identify, evaluate, measure, and prioritize qualitative-quantitative of climate related and other ESG risks based on scenario analysis in terms of both physical and transition risks. Sustainability risks, including climate-related physical and transition risks are considered in the evaluation criteria of business decisions.

↘ For further information, please refer to the Corporate Governance and Climate Action sections of the Report.

Water and marine resources: We work to identify water risks not only in the regions where we have manufacturing operations, but also in all regions where our suppliers are located, to increase water recycling and reuse, and reduce water withdrawal. WRI Aqueduct and WWF Water Risk Filter are is used to assess water risks at our worldwide locations, and analysis results are evaluated annually.

↘ For further information, please refer to the Corporate Governance and Water Management sections of the Report.

ANNEX 13. EU TAXONOMY

Circular economy: We innovate products and services to reach a closed-loop circular economy by increasing products' recyclability rates, the usage of recycled content in products and their packaging, reusing products and parts, eliminating potentially harmful substances, and properly managing the end-of life processes including take-back and recycling.

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

Pollution: We comply with the EU directives, regulations, and other requirements in the scope of its activities, products, and services. We apply certain procedures to our products in accordance with the "the Company' Chemical Conformity Specification". We run business processes in conformity with legal requirements and international management standards.

↘ For further information, please refer to the Waste Management, Chemicals Management and Product Stewardship sections of the Report.

Biodiversity: We have assessed our biodiversity risk within the scope of our own operations to address our nature-related impacts and dependencies. Based on the outputs of the assessment, we apply a mitigation mechanism through preventing, minimizing, and mitigating factors that threaten biodiversity periodically. The pressure on biodiversity, stemming from climate change, resource usage, and pollution, is aimed to be reduced through the Company's long-term targets based on water, energy, and GHG emissions targets.

↘ For further information, please refer to the Biodiversity section of the Report.

MINIMUM SAFEGUARDS

The Company's Global Code of Conduct and Related Policies commit to comply with the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, UN Global Compact, UN Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights, Women's Empowerment Principles and Worst Forms of Child Labour Convention and Universal Declaration of Human Rights. We comply with all these standards in all economic activities including the taxonomy-aligned ones.

Our systematic due diligence approach, combined with our strong governance practices and policies, ensures the implementation of robust minimum safeguards for human rights, anti-corruption, taxation, and fair competition.

↘ For further information, please refer to the Business Ethics and Transparency and Sustainable Supply Chain Management sections of the Report.

OVERALL RESULTS

Total (A+B) of Turnover and CapEx mentioned in the following tables represent the consolidated value of the Company. However, Total (A+B) of OpEx mentioned in the following tables only represent R&D expenditures, the consolidated value of the Company is TRY 112,355 million. The reason for applying this methodology is that the other categories, including general administrative and marketing expenses, that make up operating expenditures are not material within the EU Taxonomy Reporting Framework.

For the CapEx and OpEx, an allocation key has been used based on the sales revenue of aligned and not-aligned products.

The proportion of turnover, CapEx, and OpEx from products associated with taxonomy-aligned economic activities is presented in the following tables.

The taxonomy-eligible turnover in the 2024 financial year amounted to TRY 249,597 million, or 58% of total turnover. The share of taxonomy-aligned turnover, again in relation to the total turnover, amounts to 22%. Taxonomy aligned turnover increased by 8 points compared to last year. The increase in this ratio is driven by the rise in energy-efficient products within certain product ranges, as well as the significant impact of the Beko Europe, which was established in April 2024.

The taxonomy-eligible CapEx in 2024 financial year amounted to TRY 13,132 million, or 55% of total CapEx. The share of taxonomy-aligned CapEx, again in relation to the total CapEx, amounts to 18%. Taxonomy aligned CapEx increased by 7 points compared to 2023. The main reason for this is to be able to dedicate more investments for manufacturing facilities in the scope.

The taxonomy-eligible OpEx in 2024 financial year amounted to TRY 1,861 million, or 38% of OpEx. The share of taxonomy-aligned OpEx, again in relation to the OpEx, amounts to 16%. Taxonomy aligned OpEx increased by 4 points compared to 2023. The main reason for this is to be able to dedicate more expenditures for R&Ds in the scope.

ANNEX 13. EU TAXONOMY

Substantial contribution criteria	Proportion of Turnover			Proportion of CapEx			Proportion of OpEx		
	Eligible		Not Eligible	Eligible		Not Eligible	Eligible		Not Eligible
	Aligned	Not Aligned		Aligned	Not Aligned		Aligned	Not Aligned	
Climate Change Mitigation	**22%** TRY 95,680 million	**36%** TRY 153,917 million	**42%** TRY 178,574 million	**18%** TRY 4,257 million	**37%** TRY 8,875 million	**45%** TRY 10,759 million	**16%** TRY 800 million	**22%** TRY 1,061 million	**62%** TRY 2,988 million
Climate Change Adaptation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pollution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Circular Economy	**0%** TRY 0 million	**58%** TRY 249,597 million	**42%** TRY 178,574 million	**0%** TRY 0 million	**55%** TRY 13,132 million	**45%** TRY 10,759 million	**0%** TRY 0 million	**38%** TRY 1,861 million	**62%** TRY 2,988 million
Biodiversity and ecosystems	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	**100% TRY 428,548 million**			**100% TRY 23,891 million**			**100% TRY 4,849 million**		

*Total OpEx mentioned in the summary table represent only R&D expenditures, the consolidated value of Arçelik is TRY 112,355 million. N/A: Not Applicable

ADDITIONAL INFORMATION ON ELECTRICITY GENERATION FROM NUCLEAR AND GAS ACTIVITIES:

The following questionnaire is related to the mandatory EU taxonomy disclosure for nuclear energy and fossil gas-related activities and covers Turnover, OPEX, and CAPEX KPIs, as the response remains the same.

Row	Nuclear energy related activities	Yes/No
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Row	Fossil gas related activities	Yes/No
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

ANNEX 13. EU TAXONOMY

PROPORTION OF TURNOVER

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Codes[1]**	**Absolute turnover**	**Proportion of Turnover**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards[2]**	**Taxonomy aligned proportion of turnover, year 2023**	**Category** (enabling activity)	**Category** (transitional activity)
		TRY million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5	95,680	22	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	14	E	
Manufacture of electrical and electronic equipment	1.2																		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		95,680	22	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	14	E	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of energy efficiency equipment for buildings	3.5	153,917	36																
Manufacture of electrical and electronic equipment	1.2																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**153,917**	**36**														38		
Total (A.1+A.2)		**249,597**	**42**														52		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**178,574**	**42**																
Total (A+B)[3]		**428,548**	**100**																

Y = Yes; N = No; EL = Eligible; N/EL = Not eligible

[1]Activity description according to the Climate and Environmental Delegated Acts.

[2]Compliance with the social minimum safeguards specified by the EU Taxonomy Regulation.

[3]Turnover equals total Net Sales of Arçelik. For further information, please refer to Annex 12. Economic Performance Indicators.

ANNEX 13. EU TAXONOMY

PROPORTION OF CAPEX

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Codes[1]**	**Absolute turnover**	**Proportion of Turnover**	**Climate Change Mitigation[2]**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards[2]**	**Taxonomy aligned proportion of turnover, year 2023**	**Category** (enabling activity)	**Category** (transitional activity)
		TRY million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5	4,257	18	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	11	E	
Manufacture of electrical and electronic equipment	1.2																		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4,257**	18	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	11	E	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of energy efficiency equipment for buildings	3.5	8,875	37																
Manufacture of electrical and electronic equipment	1.2																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**8,875**	**37**														36		
Total (A.1+A.2)		**13,132**	**55**														47		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**10,759**	**45**																
Total (A+B)[3]		**23,891**	**100**																

Y = Yes; N = No; EL = Eligible; N/EL = Not eligible

[1]Activity description according to the Climate and Environmental Delegated Acts.

[2]Compliance with the social minimum safeguards specified by the EU Taxonomy Regulation.

[3]CapEx equals total cash outflows from purchases of property, plant and equipment and intangible assets of Arçelik. For further information, please refer to Annex 12. Economic Performance Indicators.

ANNEX 13. EU TAXONOMY

PROPORTION OF OPEX

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Codes[1]**	**Absolute turnover**	**Proportion of Turnover**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy[2]**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards[2]**	**Taxonomy aligned proportion of turnover, year 2023**	**Category** (enabling activity)	**Category** (transitional activity)
		TRY million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5	800	16	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	12	E	
Manufacture of electrical and electronic equipment	1.2																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		800	16	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	12	E	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of energy efficiency equipment for buildings	3.5	1,061	22																
Manufacture of electrical and electronic equipment	1.2																		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,061**	**22**														38		
Total (A.1+A.2)		**1,861**	**38**														50		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**2,988**	**62**																
Total (A+B)[3]		**4,849**	**100**																

Y = Yes; N = No; EL = Eligible; N/EL = Not eligible

[1]Activity description according to the Climate and Environmental Delegated Acts.

[2]Compliance with the social minimum safeguards specified by the EU Taxonomy Regulation.

[3]Total OpEx equals to only R&D expenditures· the consolidated value of Arçelik is TRY 63,762 million. For futher information information, please refer to Annex 12. Economic Performance Indicators.

ANNEX 14. MANAGEMENT SYSTEMS

Management Systems	Certification Year	Percent of Manufacturing Facilities	Coverage
ISO 9001	1992	100	Arçelik A.Ş. (Headquarters & Manufacturing Facilities), Arçelik Pazarlama A.Ş., Arctic, Beko LLC, Beko Thai, Defy, Dawlance, Singer Bangladesh, IHP Appliances, Arçelik Hitachi, Arçelik-LG, Voltbek, Beko Egypt, Beko Europe
ISO 14001	1996	72	Arçelik A.Ş. (Headquarters & Manufacturing Facilities), Arctic, Beko LLC, Beko Thai, Defy, Dawlance, Singer Bangladesh, IHP Appliances, Arçelik Hitachi, Arçelik-LG, Voltbek
ISO 17025	2008	9	Arçelik A.Ş. Central Calibration & EMC Laboratories (Accredited Laboratories)
ISO 10002	2013	32	Arçelik Pazarlama A.Ş.
ISO 50001	2012	61	Arcelik A.Ş. (Headquarters & Manufacturing Facilities), Arctic, Beko LLC, Beko Thai, Defy, Dawlance, IHP Appliances, Arcelik Hitachi, Arcelik-LG
ISO 45001	2019	67	Arçelik A.Ş. (Headquarters & Manufacturing Facilities*), Arctic, Beko LLC, Beko Thai, Defy, Dawlance, Singer Bangladesh, IHP Appliances, Arçelik Hitachi, Arçelik-LG, Voltbek
ISO 27001	2013	33	Arçelik A.Ş. (Headquarters-Related Units)
BSCI (Business Social Compliance Initiative)	2010	24	Arçelik A.Ş. (Headquarter & Production Plants**), Arçelik Hitachi

*Excluding Solar Panel Facility in İstanbul/Türkiye.
**Excluding Solar Panel Plant and Washing Machine Plant in İstanbul/Türkiye, Refrigerator Plant and Washing Machine Plant in Manisa/Türkiye

ANNEX 15. SDG INDEX

RELATED SUB-TARGETS	OUR CONTRIBUTIONS	REFERENCE
GOAL 3: GOOD HEALTH AND WELL-BEING		
3 Ensure healthy lives and promote well-being for all at all ages	We are committed to encouraging healthy eating habits, developing products that enable people to live healthier and more sustainable lives, and supporting the health and safety of all our employees.	Sustainability Targets Product Stewardship Corporate Citizenship Future Fit Culture, Talent & Organizational Management Employee Health and Safety Product Quality and Safety Sustainable Supply Chain Management
GOAL 4: QUALITY EDUCATION		
4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations 4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States	We support lifelong learning and skills development of employees and women and men within the local societies with technical, vocational and personal development trainings; setting targets to increase average training hours; providing online training to increase the reach; and developing CSR projects and partnerships with education institutions to support quality education in countries of operation, especially in STEM-related areas.	Corporate Citizenship Supporting Society with Equal Opportunities and Inclusion Diversity, Equity, and Inclusion Talent, Performance and Career Management
GOAL 5: GENDER EQUALITY		
5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	We work toward eliminating gender-based discrimination within our workforce with our policies, commitments and project. We participate in global initiatives such as Women's Empowerment Principles and a supporter of the UN Women's Generation Equality Forum's Action Coalitions to support women's empowerment. We are setting targets to increase women employee ratio at all levels globally including leadership positions; securing gender equal pay; supporting women entrepreneurs, young professionals, and girls with local hero brands through CSR projects. We create opportunities for women to help them gain new professional competencies in technical roles, especially in STEM areas, to reduce the gender gap and ensure women's inclusion in business life.	Supporting Society with Equal Opportunities and Inclusion Future Fit Culture, Talent & Organizational Management Diversity, Equity, and Inclusion

ANNEX 15. SDG INDEX

RELATED SUB-TARGETS	OUR CONTRIBUTIONS	REFERENCE
GOAL 6: CLEAN WATER AND SANITATION		
6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all 6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	In line with Arçelik's water policy, we aim to improve our water performance by developing projects to reduce water withdrawal, increase water efficiency, enhance water monitoring and increase water recycling & reuse in line with our water targets & goals minimizing our water related environmental impacts throughout the product lifecycle adopting innovative technologies; raise awareness among our employees, stakeholders and society; collaborate with third party institutions to ensure vulnerable groups' access to clean water (water.org collaboration); support water stewardship by collaborating with related stakeholders, and participating national and international water initiatives (such as the UNGC CEO Water Mandate).	Global Partnerships and Engagement Sustainability Targets Water Management
GOAL 7: AFFORDABLE AND CLEAN ENERGY		
7.3 By 2030, double the global rate of improvement in energy efficiency 7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support	In addition to setting targets to support production and use of clean energy; doubling energy productivity globally within the scope of membership EP100; developing innovative technologies we also developed products serving to the specific needs of the developing countries such as appliances that are compatible to work against electricity interruptions and flooding. This way we contribute to the upgrade of technology for supplying modern and sustainable energy services for developing countries.	Sustainability Targets Energy Efficiency and Renewable Energy Products that Create Social Value
GOAL 8: DECENT WORK AND ECONOMIC GROWTH		
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Arçelik provides a positive working environment that enables and supports innovation, R&D and creativity. Events and projects focusing on innovation and creativity are conducted and participation in them is encouraged. Arçelik makes efforts to encourage an innovative atmosphere within its culture through projects and internal cooperation. Arçelik also supports entrepreneurship both within its own workforce and in its operating environment, especially for women, through various incentives. Arçelik ensures that a positive working environment is accessible to all employees in an equal manner irrespective of gender, age or disability status as stated in its policies and commitments.	Business Ethics and Transparency Future Fit Culture, Talent and Organizational Management R&D, Innovation and Digital Transformation

ANNEX 15. SDG INDEX

RELATED SUB-TARGETS	OUR CONTRIBUTIONS	REFERENCE
GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE		
9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	With our product stewardship approach, we develop resource-efficient product which contributes to the sustainability of our industry. On top of this, we also have an ambitious roadmap and effective actions in place in line with our Net-Zero Roadmap to improve our production processes such as limiting emissions and waste, responsible management of water, energy efficiency and prioritizing renewable energy and process improvements that enable material reduction. We contribute to the scientific research and technological enhancements with our R&D and innovation work which is conducted with a total of 30 R&D centres and more than 2,300 employees and resulted in more than 3,500 registered patents.	Climate Action Water Management Waste Management Product Stewardship R&D, Innovation and Digital Transformation
GOAL 10: REDUCED INEQUALITY		
10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	Arçelik works towards reducing inequalities within its own workforce, by adopting unbiased hiring practices, providing an equal career path for all employees and providing empowerment opportunities. Arçelik also ensures the equal opportunities are promoted and protected via its policies and declarations on equal hiring and equal pay, and its equality advocacy in international and business organizations in line with our corporate values. Arçelik also promotes the inclusion of all via its community projects on trainings for young women, eliminating gender-related bias, vocational skills development and entrepreneurship support.	Supporting Society with Equal Opportunities and Inclusion Human Capital
GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION		
12.1 Implement the 10-Year Framework of Programs on Sustainable Consumption and Production Patterns 12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Arçelik has defined 2030 Sustainability Targets that include establishing renewable energy systems, reducing energy consumption while increasing green electricity purchase and energy productivity and enhancing water and waste recycling performance. Arçelik identified actions plans in line with these targets which enables the way to sustainable production practices and efficient use of natural resources. In order to conduct its production operations responsibly, Arçelik outlines a detailed chemicals and waste management framework. Preventing food waste is an important area of social responsibility for Arçelik. Thus, a target is set for the year 2030 and communications campaigns are held in order to increase awareness and ensure access to information on food waste and initiatives started to save excessive meals from being wasted.	Sustainability Targets Energy Efficiency and Renewable Energy Water Management Waste Management Chemicals Management Sustainable Living and Environment

ANNEX 15. SDG INDEX

RELATED SUB-TARGETS	OUR CONTRIBUTIONS	REFERENCE
GOAL 13: CLIMATE ACTION		
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	In order to positively contribute to climate action, Arçelik has approved Science Based Targets and a Net-Zero roadmap. This includes ensuring rapid GHG emission reduction by selling energy efficient appliances, investing in renewable energy systems for personal consumption and applying increased energy efficiency in production to reduce emissions. Arçelik identifies its risks in terms of climate change and develops mitigation and adaptation strategies in line with the TCFD recommendations. We are continuously creating and implementing projects to raise awareness about climate change to the wider public such as the DOMINO: The Little One.	Sustainability Targets Corporate Governance Climate Action Product Stewardship Corporate Citizenship
GOAL 14: LIFE BELOW WATER		
14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	We invest in R&D and develop new technologies to minimize the plastics pollution on water stemming from our products. We developed FiberCatcher technology as a built-in microfiber filtration system for washing machines to prevent microplastics from entering the seas and oceans from wastewater pipes while washing petroleum-based synthetic textile products in washing machines. Furthermore, the company uses recycled fishing nets in Arçelik products.	Water Management Product Stewardship Sustainable Living and Environment
GOAL 17: PARTNERSHIPS TO ACHIEVE THE GOAL		
17.16 Enhance the global partnership for sustainable development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries. 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	Arçelik drives change with its stakeholders to reach the global 2030 targets and actively partners with communities and NGOs to support society. By becoming a member of and supporting global initiatives, Arçelik takes collective action and a leadership role in sustainability initiatives across the world and across a variety of causes. This includes but is not limited to United Nations Global Compact (UNGC), Science-Based Targets Initiative (SBTi), World Business Council for Sustainable Development (WBCSD), Task Force on Climate-Related Financial Disclosures (TCFD), World Economic Forum (WEF)- Alliance of CEO Climate Leaders, United Nations Women's Empowerment Principles (WEPs), United Nations Women's Generation Equality Forum and Action Coalitions.	Global Partnerships and Engagement In Touch with Human Needs

ANNEX 16. UNGC & WEPS DISCLOSURES

UNITED NATIONS GLOBAL COMPACT (UNGC) DISCLOSURE

Area	Principles	Reference
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Business Ethics and Transparency Sustainable Supply Chain Management
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Business Ethics and Transparency
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Business Ethics and Transparency
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	Business Ethics and Transparency
	Principle 5: Businesses should uphold the effective abolition of child labor	Business Ethics and Transparency
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Business Ethics and Transparency Future Fit Culture, Talent & Organizational Management
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Sustainable Financing
	Principle 8: Business should undertake initiatives to promote greater environmental responsibility.	In Touch with Planet
	Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.	Product Stewardship
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Business Ethics and Transparency

THE WOMEN'S EMPOWEREMENT PRINCIPLES (WEPS) DISCLOSURE

Area	Principles	Reference
Gender Equality	Principle 1: Establish high-level corporate leadership for gender equality	Supporting Society with Equal Opportunities and Inclusion Future Fit Culture, Talent & Organizational Management
	Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination	Fit Culture, Talent & Organizational Management
	Principle 3: Ensure the health, safety and well-being of all women and men workers	Future Fit Culture, Talent & Organizational Management
	Principle 4: Promote education, training and professional development for women	Supporting Society with Equal Opportunities and Inclusion Future Fit Culture, Talent & Organizational Management
	Principle 5: Implement enterprise development, supply chain and marketing practices that empower women	Supporting Society with Equal Opportunities and Inclusion Future Fit Culture, Talent & Organizational Management Sustainable Supply Chain Management
	Principle 6: Promote equality through community initiatives and advocacy	Supporting Society with Equal Opportunities and Inclusion
	Principle 7: Measure and publicly report on progress to achieve gender equality	Supporting Society with Equal Opportunities and Inclusion Future Fit Culture, Talent & Organizational Management

ANNEX 17. SASB DISCLOSURE

Volume 2 - Appliance Manufacturing has been selected as the reference guide. Volumes 44 - Solar Technology and Project Developers and 49 - Electrical and Electronic Equipment have not been considered, as they are not material to the Company.

Volume 2 - Appliance Manufacturing

Sustainability Disclosure Topics & Metrics

Topic	Accounting Metric	Code	Reference
Product Safety	Number of recalls issued, and total units recalled	CG-AM-250a.1	Product Quality and Safety Annex 7. Product Indicators
	Discussion of process to identify and manage safety risks associated with the use of its products	CG-AM-250a.2	Product Quality and Safety
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to an energy efficiency certification	CG-AM-410a.1	Annex 7. Product Indicators
	Percentage of eligible products by revenue certified to an environmental product lifecycle standard	CG-AM-410a.2	Annex 7. Product Indicators
	Description of efforts to manage products' end-of-life impacts	CG-AM-410a.3	Product Stewardship

Activity Metrics	Code	Reference
Annual Production	CG-AM-000.A	Annex 7. Product Indicators

ANNEX 18. TCFD INDEX

Dimensions	Disclosures	Reference
Governance	The Boards of Directors' oversight of climate-related risks and opportunities	Corporate Governance
	Management's role in assessing and managing risks and opportunities	Corporate Governance
Strategy	Climate-related risks and opportunities the organization has identified over the short, medium, and long term	Climate-Related Risks and Opportunities
	The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Climate-Related Risks and Opportunities
	The resilience of the organization's strategy, taking into consideration different climate related scenarios, including a +2°C scenario or lower	Climate-Related Risks and Opportunities
Risk Management	The organization's processes for identifying and assessing climate-related risks	Corporate Governance
	The organization's processes for managing climate-related risks	Corporate Governance
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Corporate Governance
Metrics and Targets	The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Climate-Related Risks and Opportunities
	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Climate Action & Climate-Related Risks and Opportunities
	The targets used by the organization to manage climate-related risks and opportunities and performance against targets	Sustainability Targets & Climate Action & Climate-Related Risks and Opportunities

Please note that as of 2024, the responsibilities of the TCFD have been incorporated under the International Sustainability Standards Board (ISSB).

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PILLARS	THEMES	DESCRIPTIONS	REFERENCE
PRINCIPLES OF GOVERNANCE METRICS: CORE AND EXPANDED	**Governing purpose**	**Setting purpose:** - The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. - Corporate purpose should create value for all stakeholders, including shareholders.	About this Report CEO's Letter Arçelik At a Glance Corporate Governance Business Model and Value Chain
		Purpose-led management: How the company's stated purpose is embedded in company strategies, policies and goals.	Corporate Governance Business Model and Value Chain Sustainability Targets
	Quality of governing body	**Governance body composition:** Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	CEO's Letter Corporate Governance Stakeholder Engagement
		Remuneration: 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: - Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares - Sign-on bonuses or recruitment incentive payments - Termination payments - Clawbacks - Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees	Corporate Governance Future Fit Culture, Talent & Organizational Management Annex 9. Social Performance Indicators
	Stakeholder engagement	**Material issues impacting stakeholders:** A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Stakeholder Engagement Materiality Analysis
	Ethical behavior	**Anti-corruption:** 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Business Ethics and Transparency
		Protected ethics advice and reporting mechanisms: A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behavior and organizational integrity; and 2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.	Corporate Governance

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PILLARS	THEMES	DESCRIPTIONS	REFERENCE
	Risk and opportunity oversight	**Integrating risk and opportunity into business process:** -Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. -These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Corporate Governance
		Economic, environmental and social topics in capital allocation framework: How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	Corporate Governance
PLANET METRICS: CORE AND EXPANDED	Climate change	**Greenhouse gas (GHG) emissions:** - For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. - Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Climate Action Annex 6. Environmental Performance Indicators
		TCFD implementation: - Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). - If necessary, disclose a timeline of at most three years for full implementation. - Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Climate Action Annex 18. TCFD Index
		Paris-aligned GHG emissions targets: - Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement –to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. - This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. - If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.	Climate Action
		Impact of GHG emissions: - Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions. - Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.	Climate Action
	Nature loss	**Land use and ecological sensitivity:** Report the number and area (in hectares) of sites owned, leased, or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Biodiversity
	Freshwater availability	**Water consumption and withdrawal in water-stressed areas:** - Report for operations where material: megaliters of water withdrawn, megaliters of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. - Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Water Management Annex 6. Environmental Performance Indicators

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PILLARS	THEMES	DESCRIPTIONS	REFERENCE
PEOPLE METRICS: CORE AND EXPANDED	**Dignity and equality**	**Diversity and inclusion (%):** Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Future Fit Culture, Talent & Organizational Management Annex 9. Social Performance Indicators
		Pay equality (%): Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Future Fit Culture, Talent & Organizational Management Annex 9. Social Performance Indicators
		Wage level (%): 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	Future Fit Culture, Talent & Organizational Management Annex 9. Social Performance Indicators
		Risk for incidents of child, forced or compulsory labor: An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Business Ethics and Transparency Sustainable Supply Chain Management
		Discrimination and harassment incidents (#) and the total amount of monetary losses ($): Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: (a) law violations; and, (b) employment discrimination.	Business Ethics and Transparency Sustainable Supply Chain Management
		Freedom of association and collective bargaining at risk (%): 1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	Business Ethics and Transparency Sustainable Supply Chain Management
		Human rights review, grievance impact & modern slavery (#, %): 1.Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 2. Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts. 3. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Business Ethics and Transparency Sustainable Supply Chain Management

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PILLARS	THEMES	DESCRIPTIONS	REFERENCE
PEOPLE METRICS: CORE AND EXPANDED	**Health and well-being**	**Health and safety (%):** 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Future Fit Culture, Talent & Organizational Management Sustainable Supply Chain Management Annex 9. Social Performance Indicators
		Employee well-being The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers.	Future Fit Culture, Talent & Organizational Management Annex 10. Occupational Health and Safety Indicators
	Skills for the future	**Training provided (#, $):** Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees).	Future Fit Culture, Talent & Organizational Management Annex 9. Social Performance Indicators
PROSPERITY METRICS: CORE AND EXPANDED	**Employment and wealth generation**	**Absolute number and rate of employment:** Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region	Future Fit Culture, Talent & Organizational Management Annex 9. Social Performance Indicators
		Economic contribution: 1. Direct economic value generated and distributed (EVG&D), on an accrual's basis, covering the basic components for the organization's global operations, ideally split out by: - Revenues - Operating costs - Employee wages and benefits - Payments to providers of capital - Payments to government - Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	2024 Highlights Sustainable Financing Annex 12. Economic Performance Indicators
		Financial investment contribution: - Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. - Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders	Sustainable Financing Annex 12. Economic Performance Indicators

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PILLARS	THEMES	DESCRIPTIONS	REFERENCE
PROSPERITY METRICS: CORE AND EXPANDED	**Employment and wealth generation**	**Infrastructure investments and services supported:** **Qualitative disclosure to describe the below components:** 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	Sustainable Financing Annex 8. Corporate Citizenship Indicators Annex 12. Economic Performance Indicators Annex 4. Corporate Governance Indicators
		Social value generated: 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	Annex 8. Corporate Citizenship Indicators Annex 12. Economic Performance Indicators
	Innovation of better products and services	**Total R&D expenses ($):** Total costs related to research and development.	R&D, Innovation and Digital Transformation Annex 12. Economic Performance Indicators
		Social value generated: Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.	R&D, Innovation and Digital Transformation
	Community and social vitality	**Total tax paid:** The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Annex 12. Economic Performance Indicators
		Total Social Investment: Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	Annex 8. Corporate Citizenship Indicators Annex 12. Economic Performance Indicators

ANNEX 20. GRI CONTENT INDEX

GRI Standard	Note	
GRI 1 Foundation 2021	Statement of use	Arçelik has reported the information cited in this GRI content index for the period 01/2024-12/2024 with reference to the GRI Standards.
	GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Reference
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Arçelik at a Glance Global Operations
	2-2 Entities included in the organization's sustainability reporting	About this Report Annex 1. Scope of the Report
	2-3 Reporting period, frequency and contact point	About this Report Final page of this Report
	2-4 Restatements of information	Sustainability Targets and some annexes include some minor changes that are indicated in the footnotes
	2-5 External assurance	Annex 3. Assurance Report
	2-6 Activities, value chain and other business relationships	Business Model and Value Chain
	2-7 Employees	Future Fit Culture, Talent & Organization Management Annex 9. Social Performance Indicators
	2-8 Workers who are not employees	Annex 9. Social Performance Indicators
	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance
	2-15 Conflicts of interest	Business Ethics and Transparency
	2-16 Communication of critical concerns	Business Ethics and Transparency
	2-17 Collective knowledge of the highest governance body	Business Ethics and Transparency
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance

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GRI Standard	Disclosure	Reference
General disclosures		
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Corporate Governance
	2-20 Process to determine remuneration	Corporate Governance
	2-21 Annual total compensation ratio	Corporate Governance
	2-22 Statement on sustainable development strategy	CEO Letter Corporate Governance
	2-23 Policy commitments	Policy Influence Business Ethics and Transparency
	2-24 Embedding policy commitments	Business Ethics and Transparency
	2-25 Processes to remediate negative impacts	Business Ethics and Transparency
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Transparency
	2-27 Compliance with laws and regulations	Business Ethics and Transparency
	2-28 Membership associations	Annex 4. Corporate Governance
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	Business Ethics and Transparency Employee Health and Safety
GRI 415: Public Policy 2016	415-1 Political contributions	Corporate Governance Business Ethics and Transparency
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis
	3-2 List of material topics	Materiality Analysis
	3-3 Management of material topics	Materiality Analysis
Climate Action		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Corporate Governance

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GRI Standard	Disclosure	Reference
Climate Action		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Annex 6. Environmental Performance Indicators
	302-3 Energy intensity	Annex 6. Environmental Performance Indicators
	302-4 Reduction of energy consumption	Annex 6. Environmental Performance Indicators
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Annex 6. Environmental Performance Indicators
	305-2 Energy indirect (Scope 2) GHG emissions	Annex 6. Environmental Performance Indicators
	305-3 Other indirect (Scope 3) GHG emissions	Annex 6. Environmental Performance Indicators
	305-4 GHG emissions intensity	Annex 6. Environmental Performance Indicators
	305-5 Reduction of GHG emissions	Annex 6. Environmental Performance Indicators
	305-6 Emissions of ozone-depleting substances (ODS)	Annex 6. Environmental Performance Indicators
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Annex 6. Environmental Performance Indicators
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Annex 9. Social Performance Indicators
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Annex 6. Environmental Performance Indicators
	303-2 Management of water discharge-related impacts	Annex 6. Environmental Performance Indicators & Water Management
	303-3 Water withdrawal	Annex 6. Environmental Performance Indicators & Water Management
	303-4 Water discharge	Annex 6. Environmental Performance Indicators & Water Management
	303-5 Water consumption	Annex 6. Environmental Performance Indicators & Water Management
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated	Annex 6. Environmental Performance Indicators
	306-4 Waste diverted from disposal	Annex 6. Environmental Performance Indicators
	306-5 Waste directed to disposal	Annex 6. Environmental Performance Indicators

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GRI Standard	Disclosure	Reference
Chemicals Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity
	304-3 Habitats protected or restored	Biodiversity
	304- 4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity
Product Stewardship		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Annex 7. Product Indicators
	301-2 Recycled input materials used	Product Stewardship Annex 7. Product Indicators
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	Product Stewardship Annex 7. Product Indicators
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Product Stewardship
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Stewardship
Sustainable Financing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annex 12. Economic Performance Indicators
	201-3 Defined benefit plan obligations and other retirement plans	Annex 12. Economic Performance Indicators
	201-4 Financial assistance received from government	Annex 12. Economic Performance Indicators
GRI 207: Tax 2019	207-1 Approach to tax	2024 Arçelik Annual Report
	207-2 Tax governance, control, and risk management	2024 Arçelik Annual Report

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GRI Standard	Disclosure	Reference
Business Ethics and Transparency		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics and Transparency
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Transparency
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Transparency
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Business Ethics and Transparency
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Business Ethics and Transparency
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Business Ethics and Transparency
GRI 415: Public Policy 2016	415-1 Political contributions	Corporate Governance Business Ethics and Transparency
Future Fit Culture, Talent & Organizational Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annex 9. Social Performance Indicators
	202-2 Proportion of senior management hired from the local community	Annex 9. Social Performance Indicators
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Annex 9. Social Performance Indicators
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Annex 9. Social Performance Indicators
	401-3 Parental leave	Annex 9. Social Performance Indicators
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Annex 9. Social Performance Indicators
	404-2 Programs for upgrading employee skills and transition assistance programs	Annex 9. Social Performance Indicators
	404-3 Percentage of employees receiving regular performance and career development reviews	Annex 9. Social Performance Indicators
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Annex 9. Social Performance Indicators
	405-2 Ratio of basic salary and remuneration of women to men	Annex 9. Social Performance Indicators

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GRI Standard	Disclosure	Reference
Future Fit Culture, Talent & Organizational Management		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Business Ethics and Transparency Sustainable Supply Chain Management
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business Ethics and Transparency Sustainable Supply Chain Management
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Business Ethics and Transparency Sustainable Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Ethics and Transparency Sustainable Supply Chain Management
Employee Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety
	403-3 Occupational health services	Employee Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety
	403-5 Worker training on occupational health and safety	Employee Health and Safety
	403-6 Promotion of worker health	Employee Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Business Ethics and Transparency Employee Health and Safety Sustainable Supply Chain Management
	403-8 Workers covered by an occupational health and safety management system	Employee Health and Safety
	403-9 Work-related injuries	Employee Health and Safety Annex 10. Occupational Health and Safety
R&D, Innovation and Digital Transformation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	R&D, Innovation and Digital Transformation

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GRI Standard	Disclosure	Reference
Product Quality and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Product Quality and Safety
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Quality and Safety
Customer and Consumer Experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Customer and Consumer Experience
Sustainable Supply Chain Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 206: Anti-Competitive Behavior 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain Management
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainable Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainable Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain Management
Corporate Citizenship		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annex 8. Corporate Citizenship Indicators
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Citizenship

ANNEX 21. CSRD INDEX

CSRD Disclosure	Reference
ESRS 2: General Disclosures	
BP-1 – General basis for preparation of the sustainability statement	Sustainability Statement
BP-2 – Disclosures in Relation to Specific Circumstances	Sustainability Statement
GOV-1 – The role of the administrative, management and supervisory bodies	Corporate Governance
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Corporate Governance
GOV-3 – Integrated of sustainability-related performance in incentive schemes	Corporate Governance
GOV-4 – Statement on due diligence	Sustainability Statement
GOV-5 – Risk management and internal controls over sustainability reporting	Corporate Governance
SBM-1 – Strategy, business model, and value chain	Business Model and Value Chain
SBM-2 – Interests and views of stakeholders	Stakeholder Engagement
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Materiality Analysis
IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities	Materiality Analysis & Corporate Governance
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Sustainability Statement
ESRS E1: Climate Change	
E1-1 - Transition plan for climate change mitigation	Climate Action
E1- SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Materiality Analysis
E1- IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Materiality Analysis & Corporate Governance
E1-2 - Policies related to climate change mitigation and adaptation	Climate Action
E1-3 - Actions and resources in relation to climate change policies	Climate Action
E1-4 - Targets related to climate change mitigation and adaptation	Climate Action & Sustainability Targets
E1-5 - Energy consumption and mix	Climate Action & Annex 6. Environmental Performance Indicators
E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	Annex 6. Environmental Performance Indicators
E1-7 - GHG removals and GHG mitigation projects financed through carbon credits	Climate Action & Annex 6. Environmental Performance Indicators
E1-8 - Internal carbon pricing	Climate Action
E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Climate-Related Risks & Opportunities

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CSRD Disclosure	Reference
ESRS E3: Water and Marine Resources	
E3 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities	Materiality Analysis & Corporate Governance
E3-1 – Policies related to water and marine resources	Water Management
E3-2 – Actions and resources related to water and marine resources	Water Management
E3-3 – Targets related to water and marine resources	Sustainability Targets
E3-4 – Water consumption	Annex 6. Environmental Performance Indicators
E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks, and opportunities	Climate-Related Risks & Opportunities
ESRS S1: Own Workforce	
S1 SBM-2 – Interests and views of stakeholders	Stakeholder Engagement
S1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Materiality Analysis
S1-1 – Policies related to own workforce	Business Ethics and Transparency
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	Business Ethics and Transparency
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	Business Ethics and Transparency
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Business Ethics and Transparency
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Targets
S1-6 – Characteristics of the undertaking's employees	Annex 9. Social Performance Indicators
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	Annex 9. Social Performance Indicators

ANNEX 21. CSRD INDEX

CSRD Disclosure	Reference
ESRS S1: Own Workforce	
S1-8 – Collective bargaining coverage and social dialogue	Business Ethics and Transparency
S1-9 – Diversity metrics	Annex 9. Social Performance Indicators
S1-10 – Adequate wages	Annex 9. Social Performance Indicators
S1-11 – Social protection	Annex 9. Social Performance Indicators
S1-12 – Persons with disabilities	Annex 9. Social Performance Indicators
S1-13 – Training and skills development metrics	Annex 9. Social Performance Indicators
S1-14 – Health and safety metrics	Annex 10. Occupational Health and Safety Indicators
S1-15 – Work-life balance metrics	Annex 9. Social Performance Indicators
S1-16 – Compensation metrics (pay gap and total compensation)	Annex 9. Social Performance Indicators
S1-17 – Incidents, complaints and severe human rights impacts	Business Ethics and Transparency
ESRS S2: Workers in the Value Chain	
S2 SBM-2 – Interests and views of stakeholders	Stakeholder Engagement
S2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Materiality Analysis
S2-1 – Policies related to value chain workers	Sustainable Supply Chain Management
S2-2 – Processes for engaging with value chain workers about impacts	Sustainable Supply Chain Management
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Sustainable Supply Chain Management
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Sustainable Supply Chain Management
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Targets
ESRS S4: Consumers and End-Users	
S4 SBM-2 – Interests and views of stakeholders	Stakeholder Engagement
S4 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Materiality Analysis
S4-1 – Policies related to consumers and end-users	Product Quality and Safety
S4-2 – Processes for engaging with consumers and end-users about impacts	Product Quality and Safety Customer and Consumer Experience
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Customer and Consumer Experience

ANNEX 21. CSRD INDEX

CSRD Disclosure	Reference
ESRS S4: Consumers and End-Users	
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Product Quality and Safety Customer and Consumer Experience Business Ethics and Transparency Contribution to the UN Sustainable Development Goals
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Product Quality and Safety
ESRS G1: Business Conduct	
G1 GOV-1 – The role of the administrative, management and supervisory bodies	Corporate Governance
G1 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities	Materiality Analysis
G1-1 – Corporate culture and Business conduct policies and corporate culture	Business Ethics and Transparency
G1-2 – Management of relationships with suppliers	Sustainable Supply Chain Management
G1-3 – Prevention and detection of corruption and bribery	Business Ethics & Transparency
G1-4 – Confirmed incidents of corruption or bribery	Business Ethics & Transparency
G1-5 – Political influence and lobbying activities	Corporate Governance
G1-6 – Payment practices	Sustainable Supply Chain Management

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