
Arçelik

**Arçelik Biodiversity and
No Deforestation Policy**

Arçelik recognizes the importance of protecting natural ecosystems and biodiversity. In line with Arçelik Global Environmental Policy, we commit to protecting ecosystems, habitats, all species especially endangered species and endemic species, preventing forest ecosystems and land degradation, maintaining, continuously improving and developing the capacity of natural ecosystems and aim to manage impacts on biodiversity in a sustainable manner.

Arçelik recognizes Convention on Conserving Biodiversity, Natura 2000 and IUCN Guidelines. Considering the journey ahead, evolving biodiversity risk assessment tools as well as reporting frameworks including Science Based Target Network (SBTN) and Taskforce on Nature-related Financial Disclosures (TNFD) are evaluated.

Biodiversity

Arçelik is committed to discover ways to measure the risks considering both impact and dependency on biodiversity to reduce impacts. Arçelik will conduct assessments and take measures leveraging Mitigation Hierarchy through preventing, minimizing, and mitigating factors that threaten biodiversity periodically. Arçelik will prioritize its own manufacturing plants proximity to the key biodiversity areas and endangered rare and endemic species will be the top priority in the region.

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 protected 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. The pressure on biodiversity stemming from climate change, resource usage, pollution is aimed to be reduced by Arçelik's long-term targets. Arçelik has 2030 targets to reduce environmental impacts through reducing water withdrawal and energy consumption per product, increasing water recycling ratio and waste recovery rate. In line with these ambitious targets, Arçelik commits to reach Net Zero Emissions by 2050 in line with Net Zero Standard of Science Based Target initiative (SBTi).

We will also aim to apply the policy to our significant suppliers. We will make efforts to provide understanding of our employees, executives and stakeholders regarding of the biodiversity related issues.

No Deforestation

Arçelik is dedicated to eliminate deforestation within its activities. Arçelik has conducted a deforestation assessment to measure the scope of activities affecting deforestation along the value chain. As a result of this assessment, the consumption of the paper packaging and wood-based packaging materials for our products have been determined the main impact of our activities.

Arçelik is committed to no gross deforestation from its operations' activities by 2050. We incorporate the below 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 Programme for the Endorsement of Forest Certification (PEFC) for our products packaging,
- Using at least 80% recycled cardboard outer boxes for our own product boxes by 2030
- Decreasing wooden plate consumption for our own product packaging to 5% by 2030
- Monitor the supply chain to encourage no deforestation.
- Having enabled our significant suppliers* to have switched to recycled cardboard outer boxes for at least 80% of their products.

Arçelik regularly inspects its biodiversity and deforestation goals implementation status. Arçelik comprehensively examines the effectiveness of its activities carried out to achieve its goals, and difficulties in implementing its goals based on the inspection results.

The policy is endorsed by Board of Directors.

Date: 01.03.2023

**For the definition of significant suppliers, please refer to Arçelik's [Supplier ESG Program](#).*