

2024 Annual Report



Arçelik

OUR FOUNDER



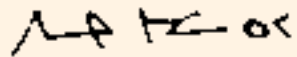
**I live and prosper with my
country.**

**As long as democracy exists and
thrives, so do we.**

We shall do our utmost to strengthen our economy.

As our economy prospers, so will democracy and our
standing in the world.

Vehbi Koç



ARÇELİK: A GLOBAL COMPANY

Founded in 1955, Arçelik has grown into a global organization in the durable consumer goods and consumer electronics sectors. Today the company boasts 124 subsidiaries in 58 countries, 45 production facilities in 13 countries, and 22 brands while also employing more than 53,000 people worldwide.

A network of 30 R&D and design centers and offices in 11 countries gives the company the ability to innovate and develop its own technology.

As one of the world's leading white goods manufacturers, Arçelik strengthens its global presence through strategic partnerships and mergers and acquisitions in markets with significant growth potential.

The company conducts its operations in line with its overarching "In Touch Technology" sustainability approach that embraces the precepts of "In Touch with Our Planet" (technology that reduces its environmental footprint while also helping to conserve natural resources), "In Touch with Human Needs" (technology that addresses society's needs), and "In Touch with Business" (technology that integrates sustainability into business processes consistent with being an innovative global citizen).

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INSPIRE SUSTAINABLE LIVES IN EVERY HOME

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ORDINARY GENERAL ASSEMBLY MEETING AGENDA

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED 28 MARCH 2025

1. Opening and Election of the Meeting Chairman
2. Presentation, Discussion, and Approval of the 2024 Annual Report Prepared by the Company's Board of Directors
3. Presentation of the Summary of the Independent Auditor's Report for the 2024
4. Presentation, Discussion, and Approval of the Financial Statements for the 2024
5. Release of each member of the Board of Directors from their liability for the Company's activities for the year 2024
6. Discussion and Approval of the Proposed Amendments to the Company's "Profit Distribution Policy" for 2025 and the Following Years in Accordance with Capital Markets Board Regulations
7. Acceptance, Amendment, or Rejection of the Board of Directors' Proposal Regarding the Distribution of 2024 Profit and the Profit Distribution Date Prepared in Accordance with the Company's Profit Distribution Policy
8. Acceptance, Amendment, or Rejection of the Board of Directors' Proposal Regarding the Amendment of Article 6 Titled "Capital" of the Company's Articles of Association to Increase the Registered Capital Ceiling and Extend Its Validity Period, Provided That the Necessary Approvals Have Been Obtained from the Capital Markets Board and the Ministry of Trade
9. Informing Shareholders About the Ongoing Share Buyback Program
10. Determination of the Number and Term of Office of the Board of Directors Members, Election of Members According to the Determined Number, and Election of Independent Board Members
11. Informing Shareholders and Approval of the Remuneration Policy for Board Members and Senior Executives in accordance with Corporate Governance Principles
12. Determination of the Annual Gross Fees of Board Members
13. Approval of the selection of the Independent Audit Firm by the Board of Directors, in accordance with the Turkish Commercial Code, Capital Markets Board regulations, and the Public Oversight, Accounting, and Auditing Standards Authority regulations
14. Within the scope of the Company's Donation and Sponsorship Policy, informing the shareholders on the donations made by the Company in 2024 and determining an upper limit for donations for the year 2025,
15. Presentation to the shareholders of the collaterals, pledges, mortgages and sureties granted in favor of third parties in the year 2024 and of any benefits or income thereof in accordance with the Capital Markets Board regulations,
16. Authorization of the shareholders that have management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree as per the provisions of articles 395 and 396 of the Turkish Commercial Code and presentation to the shareholders of the transactions carried out thereof in the year 2024 pursuant to the Corporate Governance Communique of the Capital Markets Board,
17. Information to shareholders about the Company's activities in 2024 regarding its transition plan to a low-carbon economy,
18. Wishes and observations.

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT



To the Shareholders of Arçelik A.Ş.

1) Opinion

We have audited the annual report of Arçelik A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2024-31/12/2024.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (IAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated January 31, 2025 on the full set consolidated financial statements of the Group for the period of 1/1/2024-31/12/2024.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting in Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with IAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Mehmet Can Altıntaş.

Güney Başarın Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of PricewaterhouseCoopers & Young Global Limited



March 3, 2025
İstanbul, Türkiye

CHAIR'S STATEMENT



Our company that has been creating value for the national economy for seven decades continues to build on past achievements.

Dear Shareholders,

I greet you with respect and extend my sincere gratitude for your presence at our Annual General Meeting, where we celebrate the 70th anniversary of our company and review the results of 2024. I wish you a productive and meaningful meeting.

Despite the ongoing war between Russia and Ukraine and the humanitarian tragedy unfolding in the Middle East, the global economy in 2024 progressed largely within expectations and remained relatively stable. The International Monetary Fund (IMF) estimates global economic growth at 3.2%.

The U.S. economy grew by 2.8%, exceeding initial forecasts. Similarly, China achieved 5% growth, bolstered by government stimulus packages. From electric vehicles to renewable energy, critical minerals to high-tech, Chinese companies strengthened their competitiveness across multiple sectors. Unfortunately, Europe lagged behind. The Eurozone's recovery was modest at 0.7%, and the German economy contracted.

Despite intense competition in both domestic and international markets, Arçelik continued to make strong progress toward its ambitious goals.

Global inflation slowed, driven by a decline in energy prices. In response, many central banks, including the Federal Reserve and the European Central Bank, began reducing interest rates.

The election of Donald Trump as President of the United States was among the most significant developments, with the potential to shape global politics and economics. Reintroducing the possibility of customs barriers for countries with substantial trade surpluses with the U.S., President Trump also pledged to cut taxes for both individuals and corporations.

His policies may cause inflation in the U.S. to remain elevated, leading the Federal Reserve to proceed cautiously with further rate cuts. Moreover, his trade agenda and the reactions of other countries may disrupt global supply chains. In such a scenario, manufacturers that adapt quickly and build agile strategies will enjoy a competitive advantage.

In Turkey, the Central Bank (TCMB) tightened monetary policy in the first quarter of the year, raising the policy rate from 45% to 50% and implementing credit growth restrictions. By maintaining an anti-inflationary framework, the TCMB enabled the Turkish lira to appreciate in real terms throughout the year.

As a result of the economic program, inflation began to decline—albeit not at the desired pace. TCMB reserves recovered, foreign exchange deposits in domestic banks fell, and capital inflows increased. However, the economy slowed, and the strong lira policy has led to increased foreign currency-denominated costs—posing a significant challenge for manufacturers.

Inflation is expected to remain high in 2025, though the downward trend is likely to continue. While TCMB policy rates may continue to fall, the impact will be limited by ongoing constraints on credit growth. As such, economic growth is expected to remain subdued.

Our aim is to meet the challenges ahead by working harder and managing risks with prudence. We are committed to maintaining our company's record of consistent growth while staying alert to economic and geopolitical developments. I am confident this approach will lead us to another year of steady and productive performance.

CHAIR'S STATEMENT

Regardless of market conditions, we remain committed to growth through investments in the regions where we operate.

Esteemed Shareholders,

Despite intense competition in both domestic and international markets, Koç Group's leading company in the consumer durables sector continued to make strong progress toward its ambitious goals. By maintaining our robust market positions and investing across geographies, we increased turnover by 15.4%, reaching TRY 428.5 billion.

A landmark development in 2024 was the merger of our European subsidiaries with Whirlpool's European operations under a single entity, Beko Europe. This strategic step positioned us as the second-largest global player by sales volume. I am confident that, coupled with a smooth integration, this move will significantly enhance our competitiveness in both European and global markets.

We remain committed to investing and growing in the regions where we operate. Our white goods factory in Egypt, whose foundations were laid in 2022, has now commenced production. Over 60% of its output will be exported, especially to the Middle East and Africa. Our goal is to make this facility a regional manufacturing hub.

We will continue contributing to the development of our nation's economy, expanding our global presence, and creating lasting value for all our stakeholders in 2025.

To strengthen our presence in the rapidly growing Asia-Pacific region—a key market for our industry—we launched production at our new factory in Bangladesh. We expect 90% of its products to serve the domestic market. This investment also reinforces our presence along the Silk Road, a region of strategic economic importance.

Additionally, to enhance efficiency and competitiveness, we relocated our washing machine production in Turkey from Çayirova to our expanded campus in Manisa.

Since its establishment, our company has contributed to the development of both Turkey and the countries where we operate. Beko continues to be a source of pride for the Koç Group and is highly regarded in the industry for its leadership and sustainability efforts. From resource-efficient production and energy-saving products to circular economy solutions, green financing, and social impact initiatives, Beko sets an industry benchmark.

Reflecting this commitment, our company was included in TIME magazine's inaugural "World's Most Sustainable Companies" list in 2024 and ranked first in our industry—a recognition we proudly share with all our stakeholders.

Dear Shareholders,

This year marks our company's 70th anniversary—seven decades of creating value for the national economy. Today, we build on past achievements with the support of an experienced workforce, high-quality products, trusted brands, a solid financial foundation, a wide-reaching service network, and a deep well of technological know-how—all while operating across many countries and cultures.

Drawing strength and experience from our past, we will continue contributing to the development of our nation's economy, expanding our global presence, and creating lasting value for all our stakeholders in 2025.

As I conclude my remarks, I pay tribute to our founder, Vehbi Koç, whose vision brought us to where we are today. I also extend my heartfelt thanks to our esteemed business partners, our dedicated employees, our authorized dealers and service providers, our loyal customers, and you—our valued shareholders—for your continued trust and support.

With warm regards,

Rahmi M. Koç
Chairman

SUMMARY INDEPENDENT AUDITOR'S REPORT (OPINION)

Opinion

We have audited the consolidated financial statements of Arçelik A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

⁽¹⁾ For the full Independent Auditor's Report, see  page 311-316

CONSOLIDATED FINANCIAL TABLES

(TRY million)	2024	2023
Income Statement		
Net Sales	428,548	371,203
Gross Profit	118,102	108,830
Operating Profit	5,747	16,771
Profit Before Tax	(1,610)	18,771
Net Profit	(2,207)	20,557
Net Profit (Attributable to: Equity holders of the parent)	1,689	19,505
Effective Tax Rate	-37.1%	-9.5%
Depreciation and Amortization	16,550	12,583
Balance Sheet		
Period End Cash and Cash Equivalents	50,816	70,445
Inventories	71,723	68,506
Current Assets	229,466	247,353
Tangible Assets	90,816	64,380
Total Assets	397,726	372,696
Short-Term Liabilities	221,237	198,956
Total Liabilities	322,662	286,700
Minority Shareholder	7,893	4,763
Shareholders' Equity	75,064	85,997
Cash Flow		
Cash Flows from Operating Activities	14,390	(481)
Cash Flow from Investing Activities	(14,719)	(19,433)
Cash Flow from Financing Activities	(329)	(19,914)
Dividend Paid	(1,128)	(4,662)
Investment Expenditures	23,121	17,600
Share-Based Data		
Year-End Market Value	95,953	86,831

2024 BOARD OF DIRECTORS



Rahmi M. Koç
Chair



Ömer M. Koç
Vice Chair



Semahat S. Arsel
Member



Fatih K. Ebiçlioğlu
Member



Hakan Bulgurlu
Member



Ayşe Canan Ediboğlu
Independent Member



Ali Y. Koç
Member



Levent Çakıroğlu
Member



Robert Sonman
Member



Galya F. Molinas
Independent Member



Ahmet Turul
Independent Member



Tuğrul Fadilloğlu
Independent Member

For the CVs, see “Board of Directors CVs” section (📄 page 268-273).

For information about the Board of Directors and executive management members’ transactions on behalf of themselves or someone else within the framework of the permission granted by the General Assembly, and their operations within the scope of the competition ban, see the agenda item description numbered 16 in the “General Assembly Information Document” section (📄 page 412-413).

The key management of Arçelik A.Ş. is identified as the Chair and members of the Board of Directors, the CEO, and Assistant General Managers and Directors reporting directly to the CEO. For the information on total key management compensation incurred by Arçelik A.Ş. in 2024 see note 34.c of “Financial Information” (📄 page 390).

PROFIT DISTRIBUTION POLICY

Our company carries out dividend distribution within the framework of the Turkish Commercial Code, Capital Markets Board Regulations, Tax Regulations, other related regulations, and respective articles under our Articles of Association. In profit distribution, a well-balanced and consistent policy shall be followed concerning the benefits of the shareholders and company benefits in pursuance of Corporate Governance Principles.

In principle, if respective regulations and financial facilities permit and if satisfied from existing resources in our legal records, a minimum 50% of distributable period profit calculated within the framework of Capital Markets Board Regulations shall be distributed in cash and/or as no-par shares, by considering market expectations, our long-term company strategy, investment and finance policies, profitability, and cash position.

Profit distribution is intended to be completed within one month at the latest following the General Meeting and the date of profit distribution shall be decided at the General Meeting. The General Assembly and, if authorized, the Board of Directors may decide on profit distribution by instalments, in accordance with Capital Markets Board Regulations.

According to the company's Articles of Association, the Board of Directors may distribute profit share advance payments, provided that the Board of Directors be so authorized by the General Assembly and comply with Capital Markets Board Regulations.

PROFIT DISTRIBUTION PROPOSAL

BOARD OF DIRECTORS' PROPOSAL ON THE DISTRIBUTION OF 2024 PROFIT AND PROPOSED PROFIT DISTRIBUTION TABLE

Our Company's Board of Directors has resolved the following decision on 03.03.2025:

According to the consolidated financial statements prepared by our Company and subjected to independent audit by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., in compliance with the Capital Markets Board's (CMB) Communiqué II-14.1 on Principles of Financial Reporting in Capital Markets and the Principle Decision on Inflation Accounting Implementation dated 28.12.2023, prepared in accordance with Turkish Financial Reporting Standards (TFRS) and the formats determined by the CMB: Consolidated Net Loss for the Period amounts to TRY (2,207,287,901.96), Net Profit for the Period attributable to the Parent Company amounts to TRY 1,689,081,675.17, Adding TRY 64,077,780.06 of donations made to foundations and associations as of 31 December 2024 (calculated based on purchasing power at the same date), the total distributable profit base amounts to TRY 1,753,159,780.06. In the records prepared in accordance with the Tax Procedure Law (VUK), the Net Loss for the Period is recorded as TRY 14,573,312,383.16. Accordingly, it was resolved:

a) Not to allocate the 5% general legal reserve required under Article 519 of the Turkish Commercial Code (TCC), as the existing general legal reserve amount in VUK records has reached 20% of the capital limit as of 31.12.2024.

b) In accordance with the Capital Markets regulations, Article 18 of the Company's Articles of Association, and the Dividend Distribution Policy approved at the General Assembly on 27.03.2014, considering the Company's investment and financing policies, to strengthen liquidity position and enhance the balance sheet structure, and given the current period loss in VUK records, to not distribute dividends for this year.

c) To transfer the TRY 14,573,312,383.16 current period loss calculated under VUK records to previous years' losses and to transfer the TRY 1,689,081,675.17 net profit in the financial statements prepared according to TMS/TFRS to previous years' profits.

This resolution will be submitted for the approval of our shareholders at the Ordinary General Assembly Meeting to discuss the results of the Company's activities in 2024.

DIVIDEND DISTRIBUTION TABLE

01.01.2024 - 31.12.2024 FISCAL PERIOD DIVIDEND DISTRIBUTION PROPOSAL			
ARÇELİK A.Ş. 2024 Dividend Distribution Proposal Table (TRY)			
1	Paid-in/Issued Capital*		675,728,205.00
2	Total Legal Reserves (According to Tax Book) **		887,706,579.24
If there is dividend privilege in the Articles of Association. information regarding this privilege:			
		According to CMB	According to Tax Book
3	Current Period Profit	-1,610,412,434.90	-14,573,312,383.16
4	Taxes Payable (-)	596,875,467.06	0.00
5	Net Current Period Profit (=)	1,689,081,675.17	-14,573,312,383.16
6	Losses in Previous Years (-)	0.00	0.00
7	Primary Legal Reserves (-)	0.00	0.00
8	NET DISTRIBUTABLE CURRENT PERIOD (=)	1,689,081,675.17	-14,573,312,383.16
9	Donations Made during the Year (+)	64,077,780.06	
10	Donation-Added Net Distributable Current Period Profit on which First Dividend is Calculated	1,753,159,455.23	
11	First Dividend for Shareholders	0.00	0.00
	Cash	0.00	0.00
	Stock		
	Total	0.00	
12	Dividend Distributed to Owners of Privileged Shares	0.00	
13	Other Dividend Distributed	0.00	
	To the Members of the Board of Directors		
	To the Employees		
	To Non Shareholders		
14	Dividend to Owners of Redeemed Shares	0.00	
15	Second Dividend for Shareholders	0.00	0.00
16	Secondary Legal Reserves	0.00	0.00
17	Statutory Reserves		
18	Special Reserves		
19	EXTRAORDINARY RESERVES	1,689,081,675.17	0.00
20	Other Distributable Resources	0.00	0.00
	Retained Earnings	0.00	0.00
	Extraordinary Reserves	0.00	0.00
	Other distributable reserves in accordance with the Law and the Articles of Association	0.00	0.00
	Legal Reserves from Other Distributable Resources	0.00	0.00

* The amount is the registered nominal capital amount, and there is a capital inflation adjustment difference of TRY 19,408,822,273.72 in the records prepared in accordance with VUK.

** The amount is the nominal general legal reserves amount, and there is an inflation adjustment difference of TRY 9,356,296,057.80 regarding the legal reserves in the records prepared in accordance with the Tax Procedure Law after the inflation accounting application.

ARÇELİK A.Ş. 2024 Dividend Distribution Proposal Table (TRY)					
SHARE GROUP	DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT (TRY)/ NET DISTRIBUTABLE CURRENT PERIOD PROFIT	TOTAL DIVIDEND AMOUNT (TRY)/ NET DISTRIBUTABLE CURRENT PERIOD PROFIT	
	CASH (TRY)	STOCK (TRY)		AMOUNT (TRY)	RATE (%)
NET *	0.00	0.00	0.00	0.00000000	0.00
TOTAL	0.00	0.00	0.00	0.00000000	0.00

(*) There is no privileged share group in the profit.

2025 BOARD OF DIRECTORS CANDIDATES

Rahmi M. Koç

Ömer M. Koç

Semahat S. Arsel

Ali Y. Koç

Levent Çakıroğlu

Robert Sonman

Fatih K. Ebiçlioğlu

Hakan Bulgurlu

Tuğrul Fadıllıoğlu (Independent)

Ayşe Canan Ediboğlu (Independent)

Galya Frayman Molinas (Independent)

Prof. Ahmet Kirman (Independent)

For the CV of Prof. Kirman, see 📄 page 416-417, and for the other CVs see 📄 page 268-273

REMUNERATION POLICY FOR BOARD MEMBERS AND SENIOR EXECUTIVES

This Policy document defines the remuneration system and practices for Senior Executives consisting of the Chair and members of the Board of Directors, General Manager, Assistant General Managers, and Directors directly reporting to the General Manager.

In accordance with the Turkish Commercial Code and Article 12 of the Arçelik Articles of Association, a fixed fee is determined each year at the ordinary General Assembly meeting, valid for all members of the Board of Directors, for their membership function on the Board of Directors.

A payment shall be made to a Board member having executive powers within the scope of the policy whose details are indicated below and which is determined regarding Senior Executives.

It is possible to offer a separate benefit apart from the fixed rate determined by the General Assembly, upon approval from the Corporate Management Committee, for those members who have been assigned to manage certain functions with the aim of contributing to the company's operations, due to the function they take on other than being a Board member.

As a link between the Board of Directors and the administrative structure, the Chair and members of the Executive Committee who give effective support to the company's Board of Directors in all respects concerning the company's operation may be provided benefits in the amount determined by the Board of Directors by considering the contribution they make, their participations in meetings, and their functions, and within the framework of opinion of the Corporate Governance Committee. If payment is made to Executive Committee members within this scope during the year, this payment amount shall be deducted from the amount determined at the end of the year.

For payments made to independent Board members, company performance does not apply.

All expenses (such as transportation, telephone, insurance expenses etc.) incurred by Board members in relation to their role may be covered by the company.

Senior Executive wages comprise two components – fixed and performance-based. Salary and additional benefits are determined within the scope of the Remuneration Policy and should be fair, objective, appreciating high performance, competitive, rewarding, and motivating.

Senior Executive fixed fees are determined in accordance with international standards and legal obligations, taking into account the macroeconomic data in the market; publicly available wage policies applied in the market; company size; long-term targets; and individuals' positions.

The Remuneration Policy is designed to attract well-qualified employees, to increase the motivation and loyalty of employees, which will ensure the achievement of the company's strategic business goals, while balancing internal wage bills and competitiveness in the market.

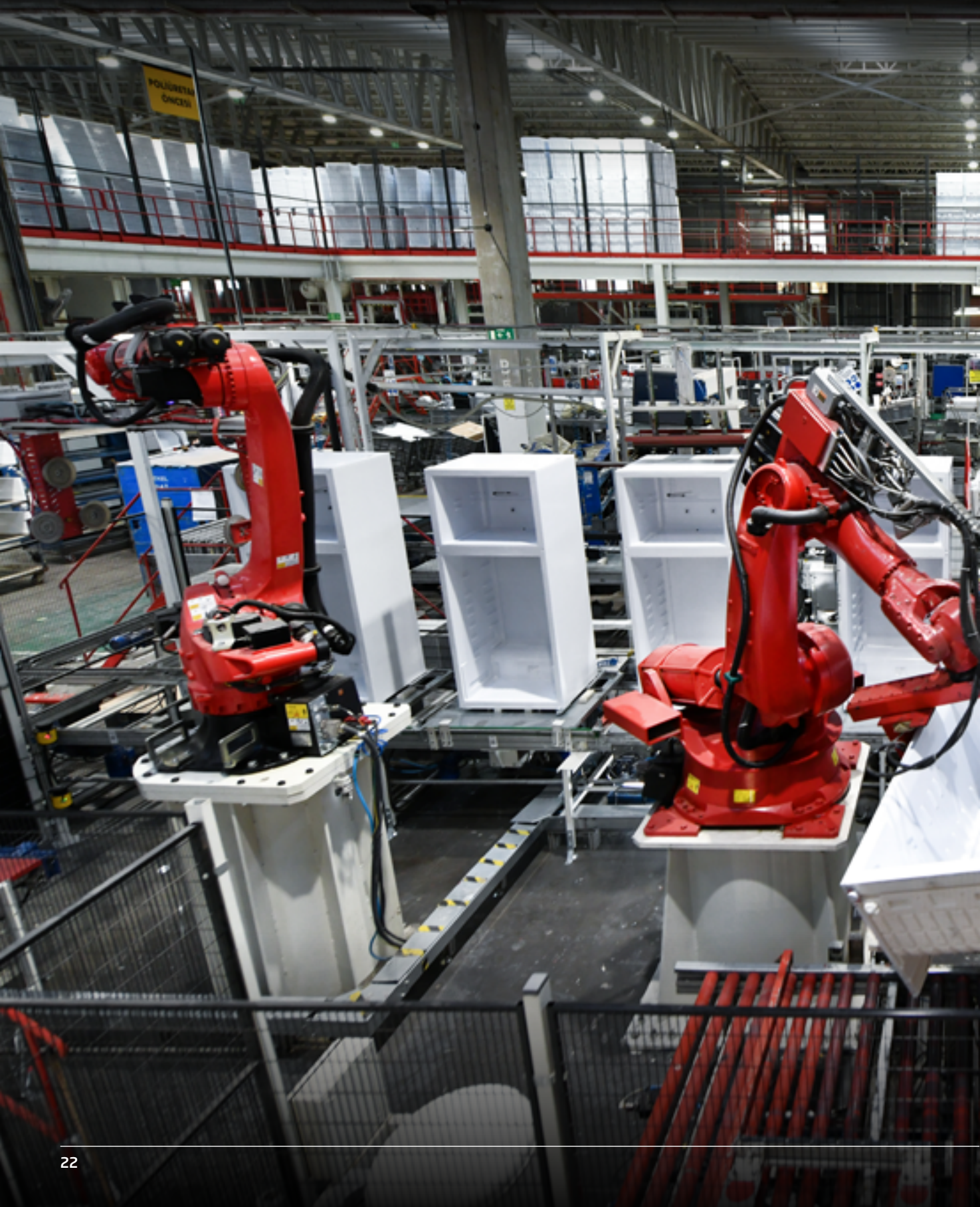
Senior Executive bonuses, on the other hand, are calculated according to the bonus base, company performance, and individual performance, aiming to fulfil and exceed the company's business goals, and encourage superior performance by rewarding sustainable success. Information with respect to the criteria is summarized below:

Premium/Bonus Basis: Premium bases are updated at the start of every year and vary according to the workload of the executives. Senior management policies in the market are considered when updating premium bases.

Corporate Performance: Company performance is calculated through measuring financial and operational (market share, exportation, foreign operations, productivity, etc.) objectives given to the company at the start of every year, at the end of the period. When determining the company's objectives, sustainability and year-on-year improvements are taken into account.

Individual Performance: When determining individual performance, what is taken into consideration is the individual and collective objectives that Senior Managers determine with their own teams and managers, as well as key performance indicators. In personal performance measurement, long-term and sustainable improvement as well as Environmental, Social, and Governance Policy principles are considered in addition to the financial aspects. If a Senior Executive leaves the company, a post-employment premium may be paid by taking into account the total period of time worked, the period of time worked as a Senior Executive, the contribution provided by the Senior Executive, the last target premium prior to the ending date of employment, and information concerning the salary and premium paid during the last year.

Total amounts determined in accordance with the above-mentioned principles and paid to Board members shall be submitted for information and/or approval of the shareholders in subsequent general meetings, in accordance with the legislation.



Arçelik at a Glance

1955

Established

Engine of the national economy

2024

Worldwide presence

Global technology producer

2050

Goal

Net-zero company

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CEO'S MESSAGE



We combined Whirlpool's production, sales, and distribution operations in Europe with our own European commercial activities under a single entity: Beko Europe. With this strategic transformation, we now operate as a EUR 12 billion business.

Dear Shareholders, Business Partners, and Colleagues,

We have left behind another challenging year, marked by geopolitical tensions, persistent inflation, supply chain disruptions, rapid advances in artificial intelligence, and extreme weather events—all continuing to shape the global economy. Despite these headwinds, the global economy achieved a soft landing. Inflation has begun to ease in developed markets, prompting central banks to lower interest rates. Global growth is projected at 3.2% in 2024, with a similar performance expected in 2025. While these figures remain below pre-pandemic levels, they underscore the pressing need for structural reforms. Global inflation is projected to reach 4.3% in 2025.

The Russia-Ukraine war, combined with escalating conflicts in the Middle East, triggered volatility in energy and commodity markets. However, in early 2025, energy and oil prices began trending downward amid hopes for potential peace agreements.

Trade tensions are once again in the spotlight. Tariffs expected during U.S. President Donald Trump's second term, alongside the global rise in protectionism, are likely to significantly affect economic activity. These developments are expected to impact numerous economies—especially China, Canada, Mexico and the EU. We are closely monitoring the implications for our industry and aligning our strategic plans accordingly.

Despite volatile global conditions, our performance remained resilient across our operating geographies.

After a prolonged stagnation, the global white goods market returned to growth in 2024 for the first time since the pandemic. Despite inflationary pressure on household purchasing power, the market grew by 1.4%, reaching USD 123 billion.

In Turkey, the white goods market expanded by 7% year-on-year. While exports declined by 3%, total sales reached 32 million units, remaining consistent with the previous year. We consolidated our leadership positions in core markets, particularly in Turkey. Arçelik maintained its top position in Turkey; Beko continued to lead in the UK and surpassed Arctic in Romania to become market leader. Defy in South Africa and Dawlance in Pakistan also retained their leadership positions.

Sales in Europe, our largest market, remained strong. Western Europe grew by 2.1%, while Eastern Europe—excluding Russia and Poland—expanded by 9.9%. The UK posted 4.4% growth, Italy 4%, and Germany 1.4%, while the French market contracted slightly by 0.3%. Romania's market grew by 12.7%, and Ukraine, despite ongoing conflict, saw a 9.7% increase.

Despite volatile global conditions, our performance remained resilient across our operating geographies. We preserved our competitiveness in Western Europe while strengthening our leadership in Eastern Europe.

The Africa & Middle East region, which accounts for 8% of our total sales, grew by more than 19% year-on-year. Although our sales in the Asia-Pacific region declined by over 2.5% in EUR terms, strong demand in Pakistan and Bangladesh helped mitigate the overall decline.

In Pakistan, Dawlance increased its revenues by 18%, with a 14% rise in units sold. In Bangladesh, Singer grew revenues by over 2% in EUR terms. With Hitachi, we focused on operational efficiency through innovation, digital transformation, and product development.

Despite the challenging market landscape, our consolidated revenues rose by over 15% to TRY 428.5 billion, driven largely by the Whirlpool Europe and MENA transactions. International operations accounted for 68% of total sales. Our adjusted EBITDA margin stood at 5.3%, and net profit reached TRY 1.7 billion.

Looking ahead to 2025, we expect revenues in Turkey to remain stable, and we are targeting approximately 15% growth in international revenues in FX terms. We aim to increase our EBITDA margin to around 6.5% and anticipate capital expenditures to reach approximately EUR 300 million.

CEO'S MESSAGE

Looking forward, our objective is to sharpen our competitive edge—particularly against Far Eastern players—by leveraging our trusted brands, strong channel relationships, and broad geographic footprint.

Distinguished Shareholders,

In 2024, we took a historic step in our global growth journey—becoming the number one player in Europe and the second largest globally in terms of units sold.

We combined Whirlpool's production, sales, and distribution operations in Europe with our own European commercial activities under a single entity: Beko Europe.

With this strategic transformation, we now operate as a EUR 12 billion business. Through Beko Europe, we have expanded our product and brand portfolio, strengthened our market presence, and solidified our role as a global leader in sustainability and innovation.

Looking forward, our objective is to sharpen our competitive edge—particularly against Far Eastern players—by leveraging our trusted brands, strong channel relationships, and broad geographic footprint.

We also continued to invest in fast-growing regions. Our new factory in Egypt—built with a USD 110 million investment—has an annual capacity of 1.5 million units. With a focus on zero waste and cutting-edge technology, the facility currently produces refrigerators, ovens, and dishwashers. It is poised to become a regional manufacturing hub as demand for home appliances grows rapidly.

We are proud not only of our scale, but also of our evolution into a purpose-driven company and sustainability leader.

In Bangladesh, our new plant became operational with a USD 78 million investment. This facility, employing 4,000 people, will produce refrigerators, washing machines, and small home appliances, with an annual capacity of 750,000 units. With a population of 170 million and a rapidly growing economy, the Bangladeshi market is projected to reach USD 10 billion by 2030. Our goal is to capture a strong share of this opportunity.

In response to the organizational demands of rapid global growth, we have unified our international operations under a single corporate brand: Beko. This strategic move allows us to build a more cohesive and integrated structure, enhance brand clarity for consumers and partners, and accelerate global expansion.

Meanwhile, 2024 marked a critical milestone in the climate crisis. Global temperatures surpassed the 1.5°C threshold above pre-industrial levels for the first time. According to the World Meteorological Organization (WMO), 2015–2024 was the warmest decade on record.

The World Economic Forum's Global Risks Report highlights climate-related risks—extreme weather, biodiversity loss, ecosystem collapse, and natural resource scarcity—as the top threats of the next decade. In this complex landscape, it is more important than ever to set clear priorities.

We view sustainability not just as a responsibility, but as a purpose-led business model that adds value to every aspect of our operations.

Through this model, we aim to achieve long-term, sustainable growth, improve consumer lives through innovation, inspire industry transformation, and protect our planet.

We are proud not only of our scale, but also of our evolution into a purpose-driven company and sustainability leader. Being an early mover in this domain is critical to managing future risks.

We remain committed to achieving net-zero emissions across our global operations by 2050. We are proud that our efforts have earned international recognition.

We retained our leadership position for the sixth consecutive year in the S&P Global Corporate Sustainability Assessment, one of the world's most respected benchmarks. In addition, we ranked 44th in TIME magazine's inaugural "World's Most Sustainable Companies" list—becoming the only company from our industry to be included.

CEO'S MESSAGE

Our near-term and net-zero targets have been validated by the Science Based Targets initiative (SBTi) and are now aligned with the 1.5°C warming scenario. By 2030, we aim to reduce Scope 1 & 2 emissions by 42% and Scope 3 emissions from product use by 42%, using 2022 as a baseline. Our long-term goal is a 90% absolute reduction across all three scopes by 2050.

These recognitions affirm our strategic commitment. We continue to minimize our carbon footprint, optimize energy efficiency, and expand renewable energy. Our installed renewable capacity, which stood at 20.3 MWp at the end of 2023 reached 100 MWp—surpassing our 2030 target of 50 MW.

Our R&D efforts remain central to our sustainability vision. We continue to develop energy- and water-efficient products, increase the use of recycled materials, and introduce smarter solutions. In 2024, we launched AISense—the first autonomous washing machine with A-10% energy efficiency, auto-dosing, and auto-rinse technologies. At EuroCucina 2024, we unveiled the world's first A-20% energy-class dishwasher, featuring integrated heat pump technology.

To fund sustainable growth, we signed an eight-year EUR 150 million loan agreement with the European Bank for Reconstruction and Development (EBRD), including EUR 83 million as the first green loan certified under international Green Loan Principles. We also secured a EUR 500 million syndicated loan—a first for both Beko B.V. and Arçelik—with participation from leading global banks.

Alongside our sustainability efforts, we continue to embrace digitalization and artificial intelligence to drive growth and efficiency. Our AI Transformation Office identified over 100 potential projects last year and successfully implemented 27 initiatives.

Our factories—powered by AI, machine learning, and IoT—are benchmarks for sustainable manufacturing and Industry 4.0. Following our plants in Romania and Eskişehir, our Ankara Dishwasher Plant was also named to the World Economic Forum's Global Lighthouse Network, highlighting global leaders in advanced manufacturing. We will continue to expand these technologies across our production network.

2025 is not only a year to advance our strategic goals—it also marks our company's 70th anniversary.

Distinguished Shareholders,

2025 is not only a year to advance our strategic goals—it also marks our company's 70th anniversary.

With our deep know-how and growing global impact, we are committed to strengthening our financial foundation, improving organizational efficiency, and building a sustainable ecosystem through life-enhancing technologies. Our investments in artificial intelligence will also help empower our teams and increase operational effectiveness.

One of our key priorities in the year ahead will be maximizing synergies from the Whirlpool integration, laying the foundation for profitable, sustainable growth. We will leverage our extensive brand portfolio, wide product offering, and enhanced capabilities in design, engineering, and after-sales service.

Structural forces such as the energy transition, climate policy, digitalization, and artificial intelligence continue to reshape our industry—presenting both risks and significant opportunities.

Regulatory initiatives like the European Green Deal's Carbon Border Adjustment Mechanism, the EU Corporate Sustainability Reporting Directive, and others offer a roadmap for transformation and competitiveness.

We will remain focused on enhancing the global competitiveness of our industry, aligning with the Sustainable Development Goals, and creating value through strong collaboration with our stakeholders.

I would like to express my heartfelt gratitude to our shareholders and business partners for their continued support, and to all our colleagues for their unwavering commitment and dedication.

Hakan Bulgurlu
Chief Executive Officer

ARÇELİK IN BRIEF

53,000+

Employees

22

Global brands

89/100

Highest rating

S&P Global Corporate Sustainability rating (as of November 22nd 2024) Highest S&P Global Corporate Sustainability DHP industry rating for the 6th year in a row

TRY 428.5 billion

(EUR 10.6 billion)

Consolidated revenues



Employing more than 2,300 research personnel in 30 R&D and design centers and offices around the world, the company has filed more than 3,500 patent applications.

Founded in 1955, Arçelik A.Ş. is active in the areas of R&D, manufacturing, marketing, and after-sales support services provision in the consumer durables and consumer electronics business lines. The company is the hub of an international network of 124 subsidiaries in 58 countries, 46 production facilities in 13 countries, and more than 53,000 employees worldwide, all supplying products and services under the brands of Arçelik, Beko, Whirlpool*, Grundig, Hotpoint, Arctic, Ariston*, Leisure, Indesit, Blomberg, Defy, Dawlance, Hitachi*, VoltasBeko, Singer*, ElektraBregenz, Flavel, Bauknecht, Privileg, Altus, Ignis, and Polar.

The company dynamically engages in every aspect of the innovative goods that it makes from their initial concept and design to production and distribution. Employing more than 2,300 research personnel in 30 R&D and design centers and offices around the world, the company has filed more than 3,500 patent applications and has been awarded patents in every business line in which it is active.

While Arçelik's consolidated revenues reached TRY 428.5 billion (EUR 10.6 billion) in 2024, the share of its revenues outside Turkey was 68%.

* Licensee limited to certain jurisdictions.

The company achieved the highest ranking in its sector, placing 44th overall in the 'World's Most Sustainable Companies 2024' list published for the first time by TIME magazine and Statista.

TRY 8,155 million
R&D expenditures

Arçelik is Turkey's leading producer of smart home technologies. With about 3,000 Arçelik and Beko dealerships across Turkey, the company is well positioned in its home market to provide consumers with quick solutions capable of addressing their changing needs and expectations. The company's extensive after-sales network with over 600 authorized service points likewise helps ensure a top-tier customer experience.

With operational presences in Africa, the Americas, Asia-Pacific, Europe, and the Middle East, Arçelik generated EUR 7.2 billion in revenue from its operations outside Turkey in 2024.

Guided by its vision of "Respecting the World, Respected Worldwide," the company continues to work towards and inspire a sustainable future through its technology, human resources, and production might.

Highest S&P CSA rating for the sixth year in a row

With a score of 89/100, the company topped the S&P Global Corporate Sustainability Assessment (S&P CSA) in the household durables (DHP) sector for the sixth year in a row as of November 22nd 2024. The company was also included in the Dow Jones Sustainability Index for the eighth consecutive year in 2024.

44th in the "World's Most Sustainable Companies" list

Over 5,000 companies from more than 30 countries were evaluated on close to two dozen key performance indicators of sustainability management and transparency in a new index launched by TIME Magazine and Statista in 2024. The evaluation considered factors such as carbon emissions, commitment to sustainability goals and initiatives, workplace safety, employee engagement, and compliance

with international reporting standards. Arçelik achieved the highest ranking in its sector, placing 44th overall among the 500 companies included in the index and also being the only Turkish company included in the list.

Three Global Lighthouse Network Industry 4.0 leaders

Based on their success in boosting productivity and performance, Arçelik's washing machine plant in Ulmi (Romania) and its refrigerator plant in Eskişehir (Turkey) were included in the World Economic Forum's (WEF) "Global Lighthouse Network," a select group of world-leading Industry 4.0 manufacturing facilities. In addition, Arçelik's efforts on behalf of sustainability practices in water and energy management earned its Ulmi Washing Machine Plant in Romania a place among the WEF Global Lighthouse Network's 10 Sustainability Lighthouses. In 2024, Arçelik's Ankara Dishwasher Plant in Turkey was also admitted to the WEF Global Lighthouse Network recognizing the world's most advanced manufacturing facilities.

Europe's #1 white goods manufacturer*

In 2023, the European subsidiaries of Arçelik and Whirlpool joined forces in a new joint venture named "Beko Europe BV". Under the merger agreement, Arçelik controlled a 75% stake in the new company's capital with Whirlpool holding the remaining 25%. Arçelik also acquired 100% of Whirlpool's operations in the Middle East and North Africa (MENA), along with its subsidiaries in the United Arab Emirates and Morocco. Leveraging its combined heritage, broad operational reach, and the strength of the Beko consumer brand, the Beko Europe BV is now Europe's biggest household durables manufacturer.

*Based on 2024 major home appliance unit manufacturing data provided by Euromonitor, an independent global research company.

ARÇELİK IN BRIEF

The company is committed to maintaining its strong position in the Turkish market with the Arçelik brand while simultaneously leveraging the Beko brand to enhance its global reach and deliver exceptional service to customers worldwide.



Beko adopted as Arçelik A.Ş.'s corporate brand

After a period of significant organizational growth and international expansion in the wake of the merger, Arçelik A.Ş. adopted Beko as its corporate brand. This was done to streamline the company's global identity. Arçelik subsidiaries around the world previously operating under various names have been united under the Beko brand. The company is committed to maintaining its strong position in the Turkish market with the Arçelik brand while simultaneously leveraging the Beko brand to enhance its global reach and deliver exceptional service to customers worldwide.

Beko Europe merger finalized

The merger of Arçelik and Whirlpool's European subsidiaries under the joint venture Beko Europe BV was finalized as of April 1st 2024. Detailed information may be found in the "2024 investments" section of this report (📖 page 57).

Whirlpool MENA acquisition finalized

With the fulfillment of the conditions stipulated in agreements related to Whirlpool's MENA operations, Beko BV also acquired 100% of the shares in two Whirlpool subsidiaries: Whirlpool MEEA DMCC (Middle East and North Africa operations) (new title Beko Gulf DMCC) and Whirlpool Maroc Sarl (Morocco and United Arab Emirates operations) (new title Beko Maghreb Sarl) as of April 1st 2024. Detailed information about these acquisitions may be found in the "2024 investments" section of this report (📖 page 57).

By means of its investments and acquisitions, Arçelik expands the geographical footprint of its production resources while also diversifying its production-capability portfolio.

Egyptian factory becomes operational

Built at an investment cost of USD 110 million, Arçelik's new household durables manufacturing facility commenced operations last year. Initially, the factory will be making refrigerators, ovens, and dishwashers, but there are plans to expand production to include other home appliance categories in the future as well. Detailed information about this factory may be found in the "2024 investments" section of this report (📄 page 56).

New production facility in Bangladesh

Located in the Bangladesh Special Economic Zone (BSEZ), Singer Bangladesh's new state-of-the-art production facility, construction of which began in January 2023, has opened and mass production has commenced. Detailed information about this factory may be found in the "2024 investments" section of this report (📄 page 56).

Inourced R&D and technology development competencies

Arçelik is a global technology producer with 30 R&D and design centers and offices based in Turkey, the UK, China, Poland, Romania, Thailand, India, Italy, South Africa, Pakistan, Egypt, and Russia.

Arçelik dynamically engages in every aspect of the innovative goods that it makes, from their initial concept and design to production and distribution. In the conduct of its R&D operations, Arçelik focuses on such issues as conserving energy and water through the use of more sustainable, eco-aware technologies and reducing operational noise and vibration, while also exploring opportunities for incorporating sensor, IoT, smart-home,

polymer, metal and surface-coating, hygiene, water and air-filtration, air-quality, and inverter motor drive technologies into its products.

Production capability diversification

By means of its investments and acquisitions, Arçelik expands the geographical footprint of its production resources while also diversifying its production-capability portfolio.

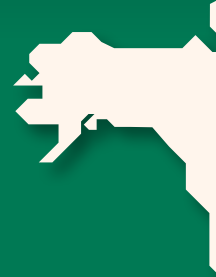
The company is a global manufacturer with 45 production facilities located in Turkey, Romania, South Africa, Pakistan, India, Bangladesh, Russia, China, Egypt, Slovakia, Italy, Poland, the UK, and Thailand.

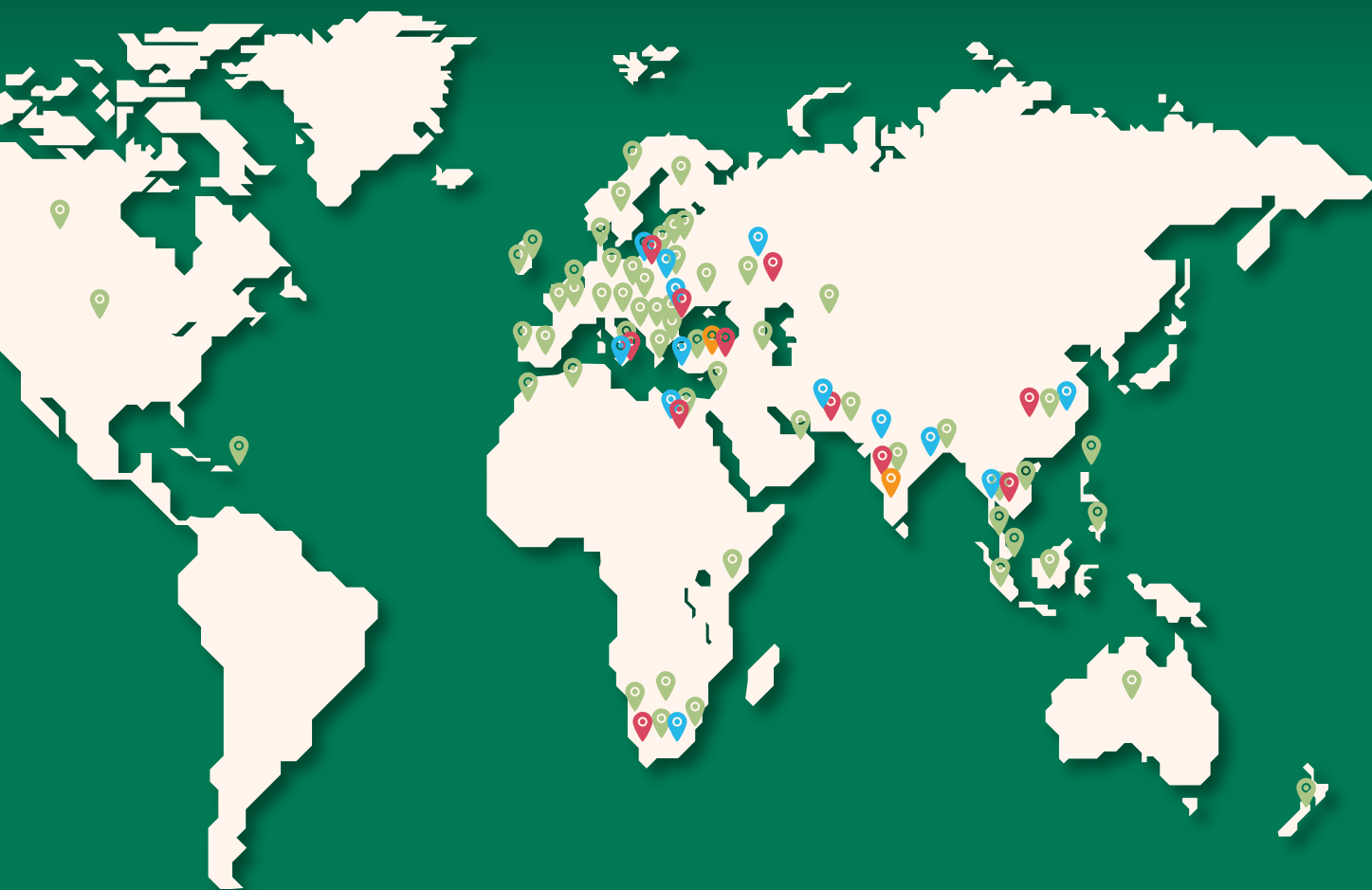


OUR GLOBAL FOOTPRINT

Production Facilities		
Bangladesh	Dakha	Refrigerator Plant
Bangladesh	Dakha	TV, A/C and Washing Machine Plant
China*	Shanghai	Arçelik Hitachi Washing Machine Plant
South Africa	Ezakheni	Refrigerator Plant
South Africa	Jacobs	Defy Cooking Appliances, Dryer and Washing Machine Plant
India*	Gujarat	Voltbek Refrigerator Plant
Italy	Cassinetta	Beko Europe Cassinetta Built-in Microwave Oven Plant
Italy	Cassinetta	Beko Europe Cassinetta Refrigerator Plant
Italy	Cassinetta	Beko Europe Cassinetta Cooking Appliances Plant
Italy	Comunanza	Beko Europe Comunanza Washing Machine and Dryer Plant
Italy	Melano	Beko Europe Melano Cooking Appliances Plant
Italy	Siena	Beko Europe Siena Refrigerator Plant
Egypt	10 th of Ramadan	Beko Egypt Cooking Appliances, Refrigerator and Dishwasher Plant
Pakistan	Hyderabad	Refrigerator Plant
Pakistan	Karachi	Refrigerator and TV Plant
Pakistan	Karachi	Washing Machine, A/C and Cooking Appliances Plant
Poland	Lodz	Beko Europe Lodz Tumble Dryer Plant
Poland	Lodz	Beko Europe Lodz Cooking Appliances Plant
Poland	Radomsko	Beko Europe Radomsko Dishwasher Plant
Poland	Radomsko	Beko Europe Radomsko Washing Machine and Dryer Plant
Poland	Wroclaw	Beko Europe Wroclaw Refrigerator Plant
Poland	Wroclaw	Beko Europe Wroclaw Cooking Appliances Plant
Romania	Gaesti	Arctic Refrigerator Plant
Romania	Ulmi	Arctic Washing Machine Plant
Russia	Kirzhach	BEKO LLC Refrigerator and Washing Machine Plant
Russia	Lipetsk	IHP Appliances JSC Refrigerator Plant
Russia	Lipetsk	IHP Appliances JSC Washing Machine Plant
Slovakia	Poprad	Beko Europe Poprad Washing Machine and Dryer Plant
Thailand	Rayong	Refrigerator Plant
Thailand*	Kabin Buri	Arçelik Hitachi Refrigerator Plant
Thailand*	Kabin Buri	Arçelik Hitachi Washing Machine Plant
Turkey	Ankara	Dishwasher Plant
Turkey	Bolu	Cooking Appliances Plant
Turkey	Bolu	Cooking Appliances Plant - Plant-2
Turkey	Eskişehir	Refrigerator Plant
Turkey	Eskişehir	Plant-6
Turkey	Eskişehir	Compressor Plant
Turkey	İstanbul	Solar Panel Plant
Turkey	İstanbul	Washing Machine Plant
Turkey	Manisa	Refrigerator Plant
Turkey	Manisa	Washing Machine Plant
Turkey	Tekirdağ	White Goods Engine and Small Home Appliances Plant
Turkey	Tekirdağ	Tumble Dryer Plant
Turkey	Tekirdağ	Electronics Plant
Turkey*	Gebze	Arçelik LG

* Joint Venture Plants





in **58** countries

*124 subsidiaries


in **13** countries

45 production facilities


30

R&D and design centers and
offices

*Includes subsidiaries, branches and joint ventures.

 Production Plants

 R&D Centers and Offices

 Subsidiaries and Branches

 Partners

OUR GLOBAL FOOTPRINT



R&D and Design Centers and Offices

China	Wuxi	Arch R&D Office
South Africa	Jacobs	Defy R&D Office
India*	Gujarat	VoltasBeko R&D Office
Italy	Cassinetta	Beko Europe Cassinetta R&D Office
Italy	Fabiano	Beko Europe Fabiano R&D Office
Egypt	10 th of Ramadan	Beko Egypt R&D Office
Pakistan	Islamabad	Dawlance NUST R&D Office
Pakistan	Karachi	Dawlance R&D Office
Poland	Wroclaw	Beko Europe Wroclaw R&D Office
Romania	Gaești	Arctic R&D Office
Romania	Ulmi	Arctic R&D Office
Russia	Kirzhach	Beko LLC R&D Office
Russia	Lipetsk	IHP Appliances R&D Office
Thailand	Rayong	Beko Thai R&D Office
Thailand*	Kabin Buri	Arçelik Hitachi R&D Office
Turkey	Ankara	Dishwasher Plant R&D Center
Turkey	Ankara	METU Technocity R&D Center
Turkey	Bolu	Cooking Appliances Plant R&D Center
Turkey	Eskişehir	Refrigerator and Compressor Plant R&D Center
Turkey	İstanbul	Arçelik Design Center
Turkey	İstanbul	R&D Directorate
Turkey	İstanbul	Beylikdüzü R&D Center
Turkey	İstanbul	Washing Machine Plant R&D Center
Turkey	İstanbul	Digital Transformation, Big Data and AI Center
Turkey	İstanbul	Small Domestic Appliances R&D Center
Turkey	İstanbul	Manufacturing Technologies R&D Center
Turkey*	Kocaeli	Arçelik LG R&D Office
Turkey	Manisa	Manisa Plant, R&D Center
Turkey	Tekirdağ	Electronics Plant R&D Center
Turkey	Tekirdağ	Dryer Plant R&D Center

* Joint Venture Plants



Subsidiaries and Branches

USA	Beko US Inc.
Germany	Bauknecht Hausgeräte GmbH ⁽²⁾
Germany	Beko Germany GmbH
Germany	IRE Beteiligungs GmbH ⁽²⁾
Australia	Beko A and NZ Pty Ltd.
Austria	Beko Austria AG
Austria	Beko Europe Austria GmbH ⁽²⁾
Azerbaijan	Beko Azerbaijan MMC
Bangladesh	Singer Bangladesh Limited
Belgium	Beko Belgium N.V.
Belgium	European Appliances Belgium NV ⁽²⁾
United Arab Emirates	Arçelik Hitachi Home Appliances Sales (Middle East) Fze
United Arab Emirates	Beko AE LLC ⁽²⁾
United Arab Emirates	Beko Gulf DMCC ⁽²⁾
United Arab Emirates	Beko Gulf FZE
Botswana	Defy (Botswana) (Proprietary) Ltd.
British Virgin Islands	Pan Asia Private Equity Ltd.
Bulgaria	Beko Europe Bulgaria EOOD ⁽²⁾
Czech Republic	Beko S.A., Czech Branch of Beko S.A.
Czech Republic	European Appliances Czech spol. S.R.O. ⁽²⁾
Algeria	Beko Algeria EURL
China	Arçelik Hitachi Home Appliances (Shanghai) Co., Ltd.
China	Arch R&D Co. Ltd.
China	Beko Electrical Appliances Co. Ltd.
China	Beko Shanghai Trading Co Ltd.
China (Hong Kong)	Arçelik Hitachi Home Appliances Sales (Hong Kong) Limited
Denmark	Beko Europe Denmark A/S ⁽²⁾
Denmark	Beko Nordic DK, Denmark Branch of Beko Nordic AS ^{(*) (1)}
Indonesia	PT Beko Appliances Indonesia
Indonesia	PT Home Appliances IND
Indonesia	PT. Arçelik Hitachi Home Appliances Sales Indonesia
Estonia	Beko Europe Estonia OÜ ⁽²⁾
Morocco	Beko Maghreb Sarl ⁽²⁾
Morocco	Beko Morocco Household Appliances SARL
Republic of the Philippines	Beko Pilipinas Corporation
Finland	Beko Nordic AB, Finland Rep. Office of Beko Nordic AB ^{(*) (1)}
Finland	European Appliances Finland OY ⁽²⁾
France	Beko France S.A.S.
France	European Appliances France Holdings SAS ⁽²⁾

Subsidiaries and Branches

France	European Appliances France SAS ⁽²⁾
Republic of South Africa	Defy Appliances (Proprietary) Ltd.
Croatia	Beko Croatia d.o.o ⁽¹⁾
Croatia	European Appliances Croatia d.o.o. ⁽²⁾
The Netherlands	Arcelik Hitachi Home Appliances B.V.
The Netherlands	Beko B.V.
The Netherlands	Beko Bangladesh B.V
The Netherlands	Beko Europe B.V.
The Netherlands	Beko Europe Holdings BV ⁽²⁾
The Netherlands	Beko Netherlands B.V.
The Netherlands	European Appliances Netherlands BV ⁽²⁾
Hong Kong, China	Beko Hong Kong Ltd.
UK	Beko Plc.
UK	General Domestic Appliances Holdings Ltd ⁽²⁾
UK	Hotpoint UK Appliances Limited ⁽²⁾
UK	Indesit Company UK Holdings Ltd ⁽²⁾
Republic of Ireland	Beko Ireland (Beko PLC Branch) ^(*)
Republic of Ireland	Hotpoint Ireland Ltd ⁽²⁾
Spain	Beko Spain Electronics S.L. ⁽¹⁾
Spain	European Home Appliances Spain S.A. ⁽²⁾
Israel	Beko Israel Household Appliances Ltd.
Sweden	Beko Nordic AB.
Sweden	European Appliances Nordic AB ⁽²⁾
Switzerland	Bauknecht AG ⁽²⁾
Switzerland	Beko Switzerland GmbH
Switzerland	Grundig Multimedia A.G.
Switzerland	Indesit Company International Business SA ⁽²⁾
Italy	Beko Europe Management SRL ⁽²⁾
Italy	Beko Europe R&D SRL ⁽²⁾
Italy	Beko Italy Manufacturing SRL ⁽²⁾
Italy	Beko Italy SRL
Italy	European Appliances Italy SRL ⁽²⁾
Canada	Beko Canada INC ⁽²⁾
Kazakhstan	Beko Central Asia LLC
Kazakhstan	IHP Kazakhstan LLP
Kenya	Defy Sales East Africa Limited
Latvia	Beko Europe Latvia SIA ⁽²⁾
Lithuania	Beko Europe Lithuania UAB ⁽²⁾
Hungary	Beko Hungary Kft
Hungary	European Appliances Hungary KFT ⁽²⁾
Malaysia	Arcelik Hitachi Home Appliances Sales (Malaysia) Sdn. Bhd.
Malaysia	Beko Appliances Malaysia Sdn. Bhd.
Egypt	Beko Egypt Home Appliances Industries LLC
Egypt	Beko Egypt Trading LLC
Namibia	Defy (Namibia) (Proprietary) Ltd.

Subsidiaries and Branches

Norway	Beko Nordic AS
Norway	European Appliances Norway AS ⁽²⁾
Pakistan	Dawlance (Private) Ltd.
Pakistan	DEL Electronics (Private) Ltd.
Pakistan	United Refrigeration Industries Ltd.
Poland	Beko Poland Manufacturing Sp. Z O.O. ⁽²⁾
Poland	Beko S.A.
Poland	European Appliances Poland Sp. Z.O.O. ⁽²⁾
Portugal	Beko Europe Iberia, S.A. ⁽²⁾
Portugal	Beko Portugal, Unipessoal LDA
Romania	Arctic Foundation
Romania	Arcwaste Collection SRL ^(*)
Romania	Beko Romania SA ⁽¹⁾
Romania	European Appliances Romania SRL ⁽²⁾
Russia	Beko LLC.
Russia	IHP Appliances LLC
Russia	IHP Appliances Sales LLC
Singapore	Arcelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd
Serbia	Beko Balkans D.O.O
Serbia	European Appliances Balkans d.o.o. Beograd ⁽²⁾
Slovakia	Beko Manufacturing Slovakia spol. S.R.O. ⁽²⁾
Slovakia	Beko Slovakia S.R.O.
Slovakia	European Appliances Slovakia spol. S.R.O. ⁽²⁾
Swaziland	Defy (Swaziland) (Proprietary) Ltd.
Thailand	Arcelik Hitachi Home Appliances (Thailand) Ltd.
Thailand	Arcelik Hitachi Home Appliances IBC Co. Ltd.
Thailand	Arcelik Hitachi Home Appliances Sales (Thailand) Ltd.
Thailand	Beko APAC IBC Co.
Thailand	Beko Thai Co. Ltd.
Taiwan	Arcelik Hitachi Taiwan Home Appliances Sales Ltd.
Turkey	Arcelik Pazarlama A.Ş.
Ukraine	Beko Ukraine LLC.
Ukraine	European Appliances Ukraine LLC ⁽²⁾
Vietnam	Arcelik Hitachi Home Appliances Sales (Vietnam) Co., Ltd.
Vietnam	Vietbeko LLC.
New Zealand	Beko A and NZ Pty Ltd. New Zealand Branch ^(*)
Greece	Beko Greece Single Member SA ⁽¹⁾
Greece	European Appliances Greece SA ⁽²⁾



Partners

Turkey	Arcelik-LG Klima Sanayi ve Ticaret A.Ş.
India	VoltBek Home Appliances Private Limited

^(*) Branches of the Subsidiary, which operate in a different country, are separately presented.

⁽¹⁾ The trade names of the related companies were updated as of April 2024, and the registration procedures for the change have been completed in the related country registers.

⁽²⁾ As of the business combination that took place on April 1, 2024, the relevant companies have been incorporated into the Group. The registration procedures related to the changes in the board of directors and the company name are ongoing in the relevant country registries.

EXECUTIVE MANAGEMENT



Hakan Bulgurlu
Chief Executive Officer



Barış Alparslan
Chief Financial Officer



Nihat Bayız
Chief Production and Technology
Officer



Utku Barış Pazar
Chief Strategy and Digital Officer



Cem Kural
Chief Purchasing and Supply Chain
Officer



Toygan Pulat
Chief People Officer

**C. Can Dinçer**

Chief Commercial Officer, Turkey and South Asia

**M. Ragıp Balcıoğlu**

Chief Commercial Officer, Europe

**Akın Garzanlı**

Chief Marketing Officer

**Fatih Özkadı**

Chief Sustainability, Quality, and Customer Care Officer

**Zafer Üstüner**

Chief Commercial Officer Asia-Pacific

For the CVs, see “Executive Management CVs” section (📄 page 276-279)

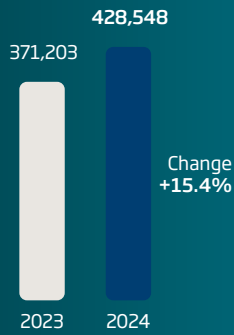
For information about the Board of Directors and executive management members’ transactions on behalf of themselves or someone else within the framework of the permission granted by the General Assembly, and their operations within the scope of the competition ban, see the agenda item description numbered 16 in the “General Assembly Information Document” section (📄 page 412-413).

The key management of Arçelik A.Ş. is identified as the Chair and members of the Board of Directors, the CEO, and Assistant General Managers and Directors reporting directly to the CEO. For the information on total key management compensation incurred by Arçelik A.Ş. in 2024 see note 34.c of “Financial Information” (📄 page 390)

KEY INDICATORS

Financial Indicators

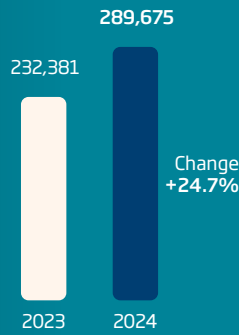
Net Sales
(TRY million)



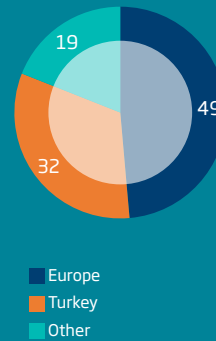
Net Sales (Turkey)
(TRY million)



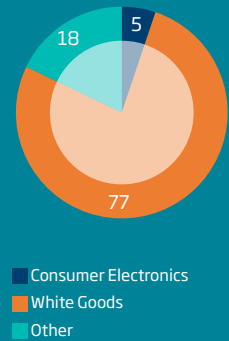
Net Sales (International)
(TRY million)



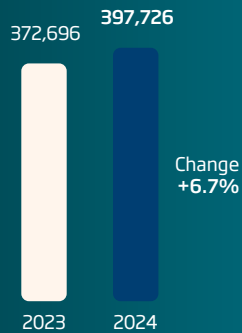
Geographical Distribution of Net Sales (%)



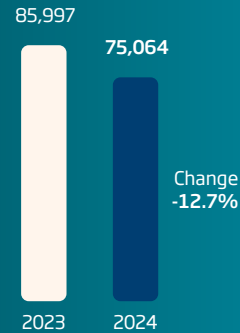
Distribution of Net Sales by Product Group (%)



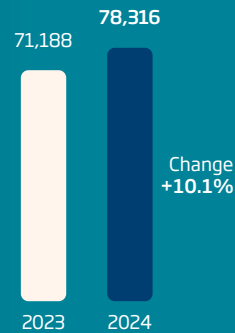
Total Assets
(TRY million)



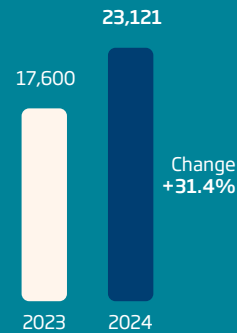
Shareholders' Equity
(TRY million)



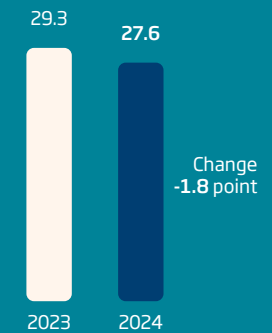
Net Financial Debt²
(TRY million)



Investment Expenditures (Net)
(TRY million)



Gross Profit Margin (%)

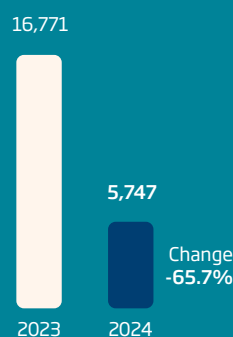


¹ The adjusted EBITDA amount has been calculated by excluding expenses incurred in business combinations.

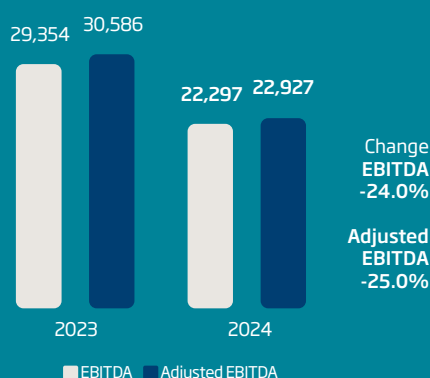
² Net debt does not include lease-related liabilities.

Arçelik's consolidated net sales revenues for 2024 amounted to TRY 428.5 billion, a 15.4% increase compared to the previous year. To make the comparison more meaningful, the TRY 371.2 billion 2023 sales figure has been adjusted to reflect the purchasing power of the Turkish lira in 2024.

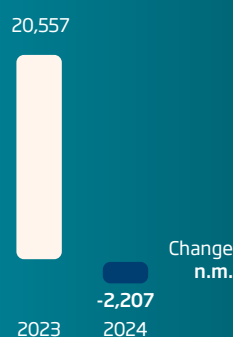
Operating Profit
(TRY million)



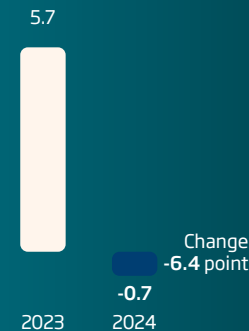
EBITDA, Adjusted EBITDA¹
(TRY million)



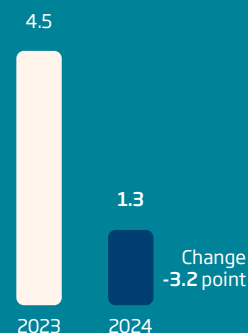
Net Profit
(TRY million)



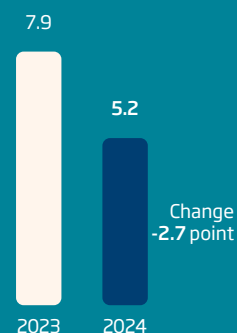
Return on Assets
(%)



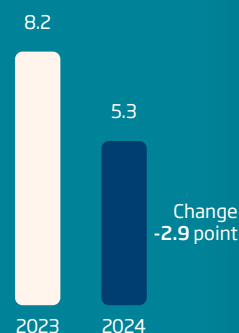
Operating Profit Margin (%)



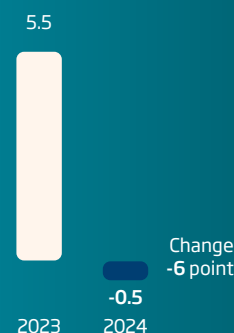
EBITDA Margin (%)



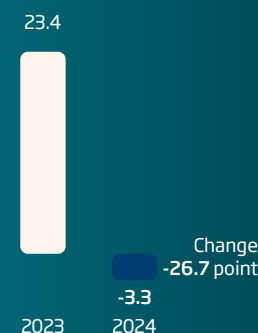
Adjusted EBITDA Margin (%)



Net Profit Margin (%)



Return on Equity (%)



KEY INDICATORS

Non-Financial Indicators

In its governance assessments and analyses, Arçelik considers non-financial factors alongside financial indicators. In identifying the non-financial factors taken into consideration, the company reviews WEF Global Risk reports, global environmental, social, and governance (ESG) trends and legislation, trends in sustainability indices, and industrial developments. Prioritizing all these developments within the framework of its operations and business plans, Arçelik ensures ESG commitments, participates in international platforms, and is listed in sustainability indices.

Principle ESG commitments

- In 2024, the Science Based Targets initiative (SBTi) approved Arçelik's targets for reducing greenhouse gas emissions and becoming a net-zero company. These targets are in line with the Paris Agreement's goal of limiting global warming to 1.5°C above pre-industrial levels. Arçelik has committed to reducing its environmental impact and has set near-term targets of decreasing its base-year absolute Scope 1 & 2 and Scope 3 product-use greenhouse gas emissions by 42% by 2030. The company's long-term goal is to achieve net-zero emissions across all of its operations by 2050. To make that a reality, Arçelik is aiming to reduce its base-year 2022 Scope 1 & 2 greenhouse gas emissions and Scope 3 emissions by 90% by 2050.
- As a supporter of the Action Coalition on Technology and Innovation, Arçelik has pledged itself to the coalition's three commitments and also to achieving six goals aimed at bringing concrete change for women and girls in the areas of technology and innovation.
- Arçelik had previously committed to ensuring that women make up 25% of its Board by 2026. This target was achieved in 2024, earlier than anticipated, as a result of that year's Board elections. 25% of the members of the Arçelik Board of Directors are women.

Please refer to the Sustainability Report for information on Arçelik's sustainability goals, progress, and independent auditors' report:

🌐 www.arcelikglobal.com/en/sustainability/sustainability-reports/

Sustainability Index highlights

- Included in the Dow Jones Sustainability Index for the 8th consecutive year
- Top score in its industry for the past six years in the S&P Global Corporate Sustainability Assessment
- Featured on TIME's list of the World's Most Sustainable Companies for 2024
- In the "A" lists in the CDP 2024 Climate Program and Water Security Program
- On the Corporate Knights' Global 100 Most Sustainable Companies list for the 5th time
- Awarded AAA ratings on the MSCI and FTSE4Good lists since 2016
- In the LSEG ESG Index
- In the BIST Sustainability Index and the BIST Sustainability 25 Index

For other index inclusions and successes, please refer to 📄 page 146-147

International sustainability platform memberships

- United Nations Global Compact (UNGC)
- UN CFO Coalition
- Science Based Targets initiative (SBTi)
- Task Force on Climate-related Financial Disclosures (TCFD)*
- Business Ambition for 1.5°C
- Race to Zero
- World Economic Forum (WEF) Alliance of CEO Climate Leaders
- Climate Group EP100
- UN CEO Water Mandate
- Business Plastic Initiative
- UN Women's Empowerment Principles (UN WEPs)
- UN Generation Equality Forum Technology and Innovation Action Group (UN Women Action Coalition)
- World Business Council for Sustainable Development (WBCSD)



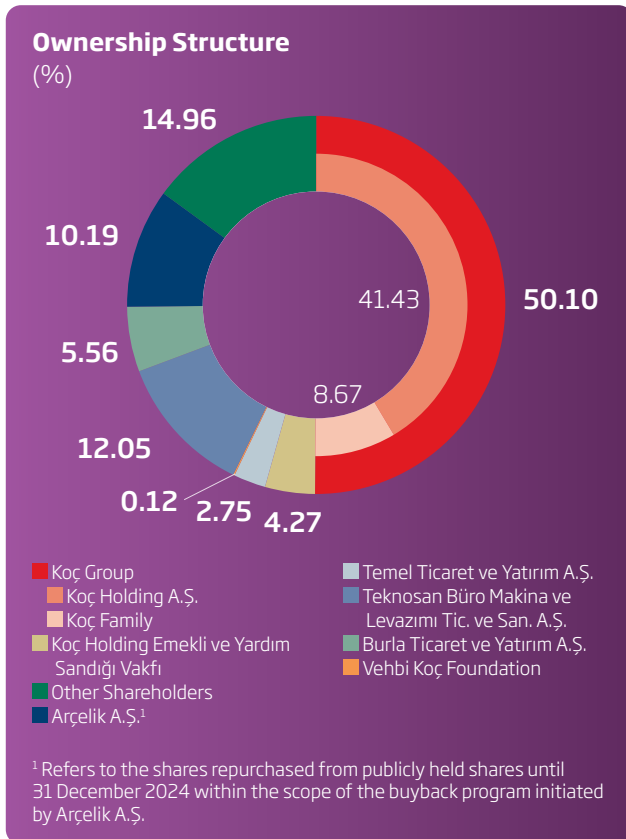
For more detailed information:

🌐 www.arcelikglobal.com/en/sustainability/engagements/engagements/

* Since 2023, TCFD reporting is being handled within the ISSB framework.

CAPITAL AND 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



In 2024 the company's issued and fully paid-up capital amounted to TRY 675,728,205, consisting of 67,572,820,500 registered shares each with a par value of TRY 0.01 (one kurush). The company's registered capital ceiling is TRY 1,500,000,000. No company shares enjoy any preferential rights. Each share of stock with a nominal value of one kurush entitles its holder to one vote at company general meetings. No publicly traded shares were repurchased by the company during the reporting year.

On all matters pertaining to transactions of a significant nature, the company complies with the requirements of the Turkish Commercial Code, the Capital Markets Act, and applicable laws, regulations, and administrative provisions, which stipulate that before the transaction may be effected, a Board of Directors resolution sanctioning it must first be passed, after which the transaction must be approved at a general meeting. Arçelik was involved in no transactions of this nature during the reporting year.

Ticker code ARCLK.IS

Paid-in capital TRY 675,728,205

Registered capital TRY 1,500,000,000

Share repurchases

Taking into account the impact both of market conditions and of domestic and global economic developments on the company's operations and sector, the conclusion was reached that Arçelik A.Ş.'s Borsa İstanbul market capitalization did not accurately reflect the company's actual performance or true value.

In order to contribute to healthy price formation, the company's Board of Directors decided at its meeting dated 24.05.2022 to sustain the share buyback transactions initiated by the decision of the Board of Directors dated 01.07.2021 and within this scope, the company's shares can be bought back from the Stock Exchange in adherence to the Communiqué on Buy-Back Shares (II-22.1), issued by the Capital Markets Board, and the announcements of the Capital Markets Board dated 21.07.2016, 25.07.2016, and 23.03.2020, and within the framework of the authority granted to the company's Board of Directors at the Ordinary General Assembly Meeting dated 04.04.2024.

As of December 31st 2024, the ratio of ARCLK shares owned by the company to its capital was 10.19%. As of the date of the report, the total nominal value of the bought-back shares has remained unchanged.

A summary of Arçelik share buybacks as is available here:
🔗 <https://www.kap.org.tr/en/Bildirim/1056874>

Koç Holding

With roots going back to 1926, the Koç Group is Turkey's biggest corporate group as measured by total revenues, exports, BIST capitalization and trading, and job creation. Koç Holding is the only company headquartered in Turkey to be included in the Fortune Global list of the world's 500 biggest companies. Seeking to enhance the added value that it generates for all of its stakeholders and inspired by its vision of creating long-term value and supporting global growth, the Koç Group continues to move forward on a journey that began nearly a century ago.

For more detailed information:

🔗 <https://www.koc.com.tr/en>

Burla Group

During the early years of the Turkish Republic, the Burla company contributed to the country's economic growth and development as one of the first to begin importing and trading in goods such as automobiles, home appliances, electrical-powered tools, lightbulbs, office machines, photographic equipment, and machine tools. As a corporate group, Burla's mission today is to maximize stakeholder value creation by increasing customer satisfaction through its sustainable growth.

For more detailed information:

🔗 www.burla.com

OUR BRANDS AND PRODUCTS

Our Brands

While Arçelik increased its competitiveness with its new brands, it further strengthened its position in the markets in which it operates.



* Licensee limited to certain jurisdictions.

For detailed information about our brands, see "Our Brands" section (📖 pages 72-95).

Our Product Portfolio

Built-in and standalone products

- Refrigerators
- Freezers
- Washing machines
- Dryers
- Dishwashers
- Ovens
- Microwave ovens
- Furnaces
- Hoods
- Mini-midi ovens
- Warming drawers
- Water dispensers
- Water purifiers

Air conditioning and energy

- Air conditioners
- Combi boilers
- Kettles
- Room heaters
- Fans
- Solar panels
- Inverters
- SunJunior energy storage system
- Solar UPS
- Folding solar panel
- Solar backpacks
- Vehicle charging devices
- Heat pumps

Consumer electronics

- Televisions
- Smartphones
- Laptops and tablets
- POS cash register
- Portable sound systems

Small home appliances

- Brooms
- Cooking utensils
- Irons
- Hygiene products

Components

- Hermetic compressors
- Motor pumps

OUR GROWTH STRATEGY



Arçelik centers all its business strategies and activities around respect for both the environment and society.

- Maintaining market position in Turkey by being closer to the consumer, developing solutions in various areas, elevating the customer experience to the highest level.
 - Enhancing operational agility, efficiency, and integration to support the expansion of consumer-focused programs and solidify our market-leading position in Europe.
 - Driving market share growth in the Middle East and North Africa (MENA) region through commercial transformation and proximity to key export markets; leveraging our Egypt plant investment to expand brand and product portfolios and tap export potential.
 - Continuing investments with the Defy brand in Sub-Saharan Africa and evaluating investment alternatives in other countries in the region.
 - Continuing to invest in the most energy-efficient and innovative products in each core product group.
-
- Investing in regions with a growing young population, rising purchasing power, and developing economies.
 - Making growth investments in the Asia-Pacific region with both the Hitachi partnership and the Beko brand.
 - Evaluating investment, acquisition, and partnership options in North and South America.
 - Making investments in production facilities and new products in countries where company acquisitions are made.
 - Supporting growth by closely monitoring customer needs from new offices.
-
- Strengthening current position in small household appliances and built-in products.
 - Increasing sustainable income sources by developing B2B sales.
 - Developing business models that take into account the needs of the country by improving the products and services in the after-sales services segment.
 - Offering new solutions to customers with renewable energy solutions and an efficient dealer network in Turkey.
-
- Developing products with reduced environmental footprint and lessening the environmental footprint of all stakeholders along the value chain to conserve natural resources.
 - Harnessing the power of smart technologies and AI to create applications that enhance quality of life and support initiatives that generate positive social change.
 - Fostering a cross-operational culture of inclusivity, equity, and inspiration to create long-term sustainable value for Arçelik's employees, suppliers, dealers, customers, and other stakeholders.

INVESTOR RELATIONS

14.96% of Arçelik's shares are publicly traded with the remainder being held by Koç Holding, Koç Group companies, and members of the Koç family.¹ Under a share buyback program initiated by Arçelik, 10.19% of the publicly traded shares had been repurchased by the company as of December 31st 2024.

Type of capital market instrument quoted/traded	Initial quotation/trading date	Country	Exchange name	Exchange market
Company share	21/01/1986	Turkey	Borsa İstanbul	Stars Market Group ¹
Green Bond	25/05/2021	Ireland	Irish Stock Exchange	Bond and Bill Market
Eurobond - USD 400 million	25/09/2023	Ireland	Irish Stock Exchange	Bond and Bill Market
Eurobond - USD 100 million	17/11/2023	Ireland	Irish Stock Exchange	Bond and Bill Market

Arçelik shares are traded on the Borsa İstanbul BIST Stars market and are included in the BIST Metal Products Mach, BIST Stars, BIST Sustainability 25, BIST 100, BIST 50, BIST Industrials, BIST İstanbul, BIST All, BIST Corporate Governance, BIST Repurchase, BIST Sustainability, and other indices. Arçelik's superior corporate governance performance has qualified its shares for inclusion in the BIST Sustainability Index every year since 2024 without exception. Its shares also rank high in some of the world's most prestigious stock indices.²

During 2024, Arçelik representatives attended 10 investor events in Turkey and other countries and met with 250 investors and analysts. Four teleconferences concerning the company's quarterly results were also conducted during the year. Arçelik regularly keeps stakeholders informed and up to date by means of telephone calls, teleconferences, face-to-face meetings, general investor presentations, financial results presentations, interim reports, and a corporate website.

Share performance

In 2024, İstanbul's stock exchange navigated a choppy course. Buoyed by tailwinds such as local elections, a steady hand on monetary policy, a narrowing of the country's risk premium, and upward revisions in Turkey's credit rating by international agencies, the market nonetheless faced headwinds. These included the introduction of inflation accounting, persistent geopolitical tensions, and uncertainties surrounding the US elections. Alongside these broader economic and political currents, Arçelik faced challenges of its own. The anticipated contraction in profitability following the completion of the Whirlpool EMEA acquisition on 1 April 2024, combined with persistently weak consumer demand throughout the year, contributed to the company's year-end market capitalization of TRY 96.0 billion (USD 2.7 billion).

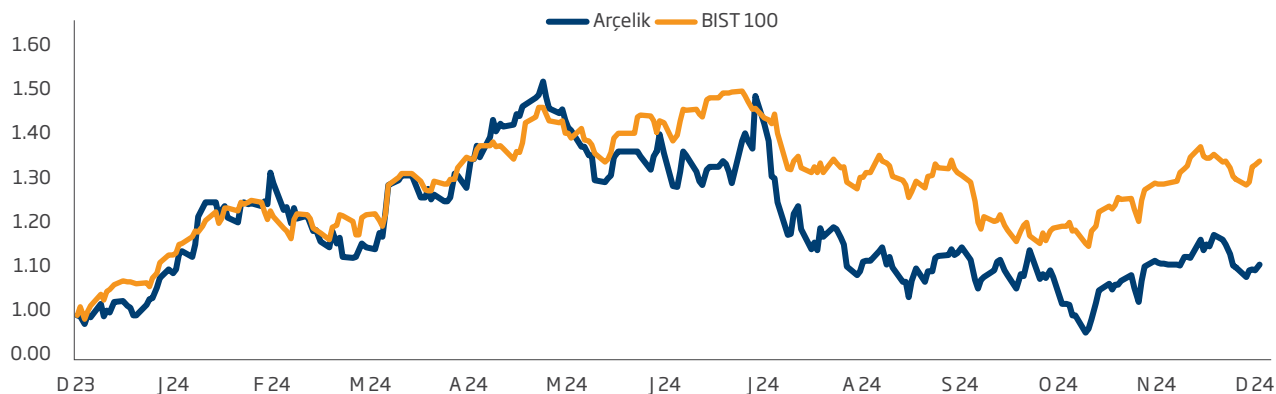
During 2024, the share price of Arçelik increased by 10.5% in value, whereas the BIST 30 Index went up by 34.1%. In 2024, the company's shares had an average daily trading volume of around 3,159,477 lots.

By the end of 2024, around 16% of Arçelik shares traded on BIST were owned by foreign investors.

¹ For details of capital and partnership structure, see "Capital and Ownership Structure" section (📄 page 44-45).

² For the sustainability indices in which Arçelik is included, see "Sustainability Index highlights" section (📄 page 146-147).

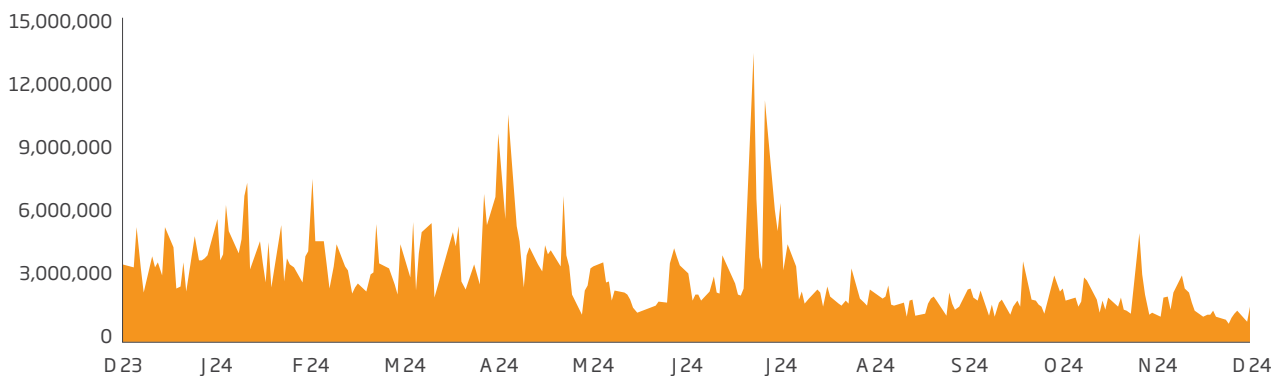
Stock Performance in 2024



Metric	2020	2021	2022	2023	2024
Low ¹ (TRY)	10.99	26.90	46.47	83.70	123.70
High ¹ (TRY)	27.96	52.04	113.83	175.00	195.00
Year-end ¹ (TRY)	26.90	45.75	110.29	128.50	142.00
Year-end	30.40	48.40	112.20	128.50	142.00
Issued capital (TRY 1,000)	675,728	675,728	675,728	675,728	675,728
Market value (TRY 1,000)	20,542,137	32,705,245	75,816,705	86,831,074	95,953,405
Market value (USD 1,000)	2,798,466	2,471,846	4,051,401	2,938,595	2,713,100

¹ Retroactively adjusted to account for dividend payments.

Number of Daily Transactions in 2024



INVESTOR RELATIONS

Dividends

Arçelik apportions and pays out distributable company profits in compliance with the requirements of the Turkish Commercial Code, Capital Markets Board regulations, tax laws and regulations, and Arçelik's Articles of Association. When distributing dividends, a balanced and consistent policy is upheld to align the interests of shareholders with those of the company, adhering to Corporate Governance Principles.

Credit ratings

On 8 March 2024, Fitch Ratings upgraded Turkey's credit rating to "B+" from "B," revising its outlook from "Stable" to "Positive." Following this decision in a report

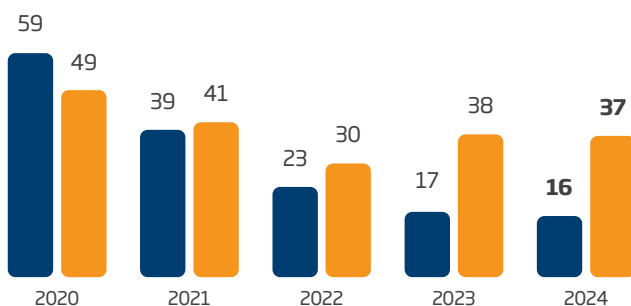
dated 18 March 2024, Fitch upgraded Arçelik's long-term foreign currency rating to "BB" from "BB-" and revised its outlook from "Stable" to "Positive." In the second half of the year however, Fitch Ratings reversed course. On 6 September 2024, the agency downgraded Turkey's credit rating to "BB-" from "B+," changing the outlook from "Positive" to "Stable." Subsequently, in a report dated 12 November 2024, Fitch also downgraded Arçelik's long-term foreign currency rating to "BB-" from "BB," and revised its outlook from "Positive" to "Negative."

On 18 March 2024, Standard & Poor's affirmed Arçelik's long-term foreign currency rating at "BB" while also maintaining the company's "Negative" outlook.

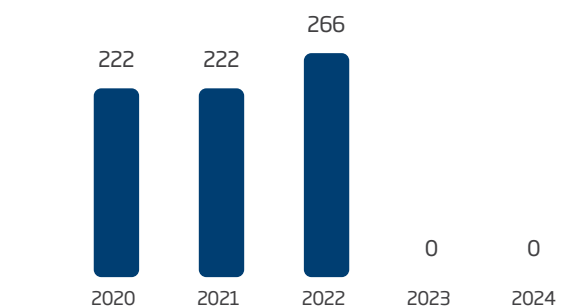
Metric	2023	2024
Dividend (EUR)	0	0*
Year-end price (EUR)	3.93	3.86
Price/earnings Ratio	4.00	51.02
Dividend Payout Ratio (%)	0	0*
Year-end Market Value (EUR)	2,656	2,611

* Proposed 2024 dividend to be voted on at this year's General Assembly scheduled to take place on 28 March 2025.

% of Publicly-traded Arçelik Shares Owned by Non-resident Investors (%)



Dividends to Capital Ratio (%)



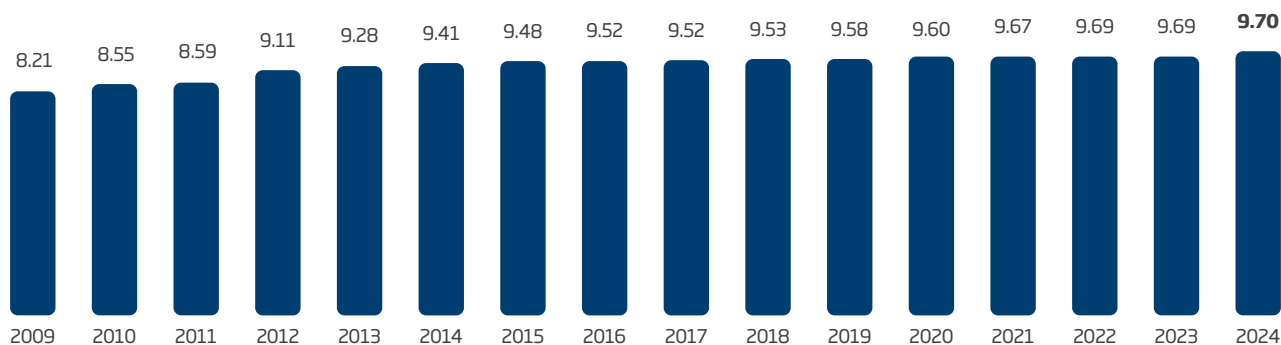
* Reflects the 2024 profit distribution proposal of the Arçelik management.

Corporate Governance Ratings

Arçelik's Corporate Governance Rating Score was calculated based on an assessment conducted across four primary categories (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors) in alignment with CMB's Corporate Governance Principles.

On 5 July 2024, CMB-licensed SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Ratings) corporate governance and credit rating services provider raised Arçelik's corporate governance rating to 9.70/10 (97.02%) on the basis of its review of the company's corporate governance performance as of that date.

Arçelik Corporate Governance Ratings



Arçelik Corporate Governance Ratings by performance category

The World Corporate Governance Index (WCGI), which was released on 8 October 2019 by SAHA Kurumsal Yönetim ve

Kredi Derecelendirme Hizmetleri A.Ş., ranks Arçelik in Group 1. This index ranks countries according to both their level of compliance with corporate governance principles and the level of progress made by their institutions in terms of corporate governance.

Shareholders	Public Disclosure and Transparency	Stakeholders	Board of Directors	Average
95.77%	98.79%	99.48%	95.6%	97.02%



Arçelik in 2024

Beko Europe

Merger of Arçelik and Whirlpool European subsidiaries into single joint venture

Egypt factory

USD 110 million investment

Bangladesh factory

USD 78 million investment

- 56 2024 INVESTMENTS
- 60 ARÇELİK SUCCESS STORIES
- 62 INNOVATIVE PRODUCTS
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2024 INVESTMENTS

Two new Arçelik-built manufacturing facilities became operational in 2024: a white goods factory in Egypt and Singer Bangladesh's high-tech plant in Bangladesh.



New factory investment in Egypt

September 2024 witnessed the official opening of Arçelik's white goods factory in Egypt, where the company has been operating under its Beko brand since 2012. The factory, of which foundations were laid in 2022, covers an area of 114,000 m² including 70,000 m² of indoor space, and is intended to become a new regional production hub, with over 60% of its production targeted for export primarily to the MENA. The plant will begin by producing refrigerators, ovens, and dishwashers but plans are in place to manufacture a wider range of home appliances in the future as well. The facility houses an R&D center with internationally rated laboratories and sections for new idea development, a cooking center, and an experience center. It has an annual investment budget worth about USD 110 million. Mass production commenced in March 2024.

Bangladesh factory

Budgeted at USD 78 million, construction of Singer Bangladesh's high-tech production facility began in January 2023 on a 135,000 m² site in the Bangladesh Special Economic Zone (BSEZ). After a successful trial run in March 2024, mass production of refrigerators commenced in April of the same year. In November, production of televisions, washing machines, and small home appliances also began at the plant. Although the plant is fully equipped and ready to make air conditioners, their actual production will not begin until 2025 in order to better align with seasonal demand. The Singer Bangladesh's plant has been designed to be eligible for LEED Gold sustainability certification. It will be providing jobs for 4,000 people. The company intends to source 90% of what it sells from its in-country manufacturing operations.



Arçelik Hitachi Home Appliances focused on accelerated product development, digital transformation, and innovation in 2024.

Arçelik Hitachi Home Appliances

Founded in 2021, Arçelik Hitachi Home Appliances focused on accelerated product development, digital transformation, and innovation in 2024. The company's adoption of SAP HANA infrastructure for its digital transformation has already resulted in increased operational efficiency and optimized data-driven decision-making. In line with its mission to lead Arçelik Hitachi Home Appliances' global presence in the APAC region, the company has launched an R&D Center and Robot Automation Application Laboratory to develop innovative solutions and strengthen its technology leadership in the region. This Center will leverage advanced technologies to create market-driven solutions and boost competitiveness. Thanks to a significantly enhanced technology platform supporting its diverse product portfolio, the company introduced over 600 new products in 2023 and 2024, expanding its reach to consumers in over 65 countries. Please refer to the "Our brands" section of this report (📄 pages 72-95), for further details.

Turkey: Eskişehir Refrigerator and Manisa Washing Machine Plants

Eskişehir Refrigerator Plant

The Factory 6 Multi-Door (F6 MD) line, initial work on which began in 2022, will start mass production with the commissioning of the first phase in January 2025. The F6 MD line will be a cutting-edge production facility based on lean, agile, and Industry 4.0 principles. When fully operational it will feature:

- Full integration of product, material, supplier, employee, and production systems.
- Software and hardware infrastructure that allows for complete traceability.
- Enhanced workforce efficiency and workplace safety.
- End-to-end work and information flow from in-house production to final assembly.

Manisa Washing Machine Plant

Construction of 45,900 m² out of a planned 53,000 m² modernization and relocation project has been completed. Capacity-increase equipment investments have also been commissioned. Mass production of Beko-branded washing machines began for the first time at the Manisa plant on January 8th 2024. Installation of mechanical equipment to allow the modernized plant to operate at full capacity in all production areas other than molding will be completed by April 2025.

The Closing of the Beko Europe transaction

The merger of Arçelik and Whirlpool's European subsidiaries under the joint venture Beko Europe BV was finalized as of April 1st 2024. Under the merger agreement, shareholding interests in Arçelik's and Whirlpool's European subsidiaries were turned over to Netherlands-based Beko Europe, a new entity in which Beko and Whirlpool control 75% and 25% stakes respectively.

Closing of Whirlpool MENA acquisition

With the fulfillment of the conditions stipulated in agreements related to Whirlpool's MENA operations, Beko BV acquired 100% of the shares in two Whirlpool subsidiaries: Whirlpool MEEA DMCC (Middle East and North Africa operations transferred to Beko Gulf DMCC) and Whirlpool Maroc Sarl (Morocco and United Arab Emirates operations transferred to Beko Maghreb Sarl) as of April 1st 2024. The anticipated cost of this acquisition had been penciled in at EUR 20 million, with the understanding that the figure would later be reviewed and adjusted based on both subsidiaries' net debt and net working capital positions as of the closing balance sheet date. As per that understanding, the acquisition was finalized at EUR 38 million.

2024 INVESTMENTS

Other investments

Eskişehir Compressor Plant

The Ministry of Industry and Technology (SVTB) has approved an incentives certificate for investments to be undertaken at the Eskişehir Compressor Plant under that ministry's "Technology-Oriented Industry Move Program". The three-million unit capacity threshold called for in the first of the four phases to be carried out under this project was achieved in January 2024. Work is currently in progress to reach Phase II capacity by January 2026. A total of EUR 5 million has been budgeted for the entire project.

The plant currently holds an R&D investment incentives certificate granted by the Scientific and Technological Research Council of Turkey (TÜBİTAK) under its Technology & Innovation Funding Program (TEYDEB).

The SVTB project's investment incentives certificate provides for up to EUR 1.7 million in cash incentives, of which EUR 1 million were received in 2024.

Çerkezköy Laundry Dryer Plant

Under the ongoing capacity expansion project at the Çerkezköy Laundry Dryer Plant, work was begun on the installation of a third assembly line in 2024, expenditures for which amounted to EUR 3.1 million. This line became operational in December of the year resulting in an immediate increase in the plant's production capacity.

In 2023, a project commenced to install a 0.91 MWp solar panel array on the factory's 7,950 m² roof. This array was fully operational as of July 2024.

Solar panel production

To strengthen its contribution to sustainable energy and promote environmentally friendly solutions, the company is increasing its investments in renewables. In 2024, the company expanded its product range at its 12,000 m² Beylikdüzü facility to include solar panels with TOPCon cells. This expansion, driven by a project to implement new cell technologies, completes the company's transformation investments in solar panel manufacturing. Production at the facility continues with the goal of achieving world-class efficiency and quality through the highest level of implementation of Industry 4.0 technologies. Backed by an Arçelik Corporate Solutions 15-year product warranty and a 30-year performance guarantee, these panels provide end-to-end solutions for customers, who also benefit from Arçelik's trusted reputation and its comprehensive product and service network across Turkey.

Sustainable financial instruments

Green bonds

In 2021, the company successfully completed an international flotation of a five-year green bond issue worth a total of EUR 350 million. Arçelik uses the funds from these bonds to finance projects as part of the company's own sustainability strategy within the Green Financing Framework based on the Green Bond Principles set forth by the International Capital Market Association (ICMA) as guidelines for financing projects that have positive environmental impacts. These projects include:

- *Energy-efficient products*
- *Circular economy solutions*
- *Energy and water efficiency in production*
- *Sustainable water and waste management*
- *Renewable energy*
- *Green buildings*

In 2024, the company invested TRY 30 million in a nine-month sustainable deposit.

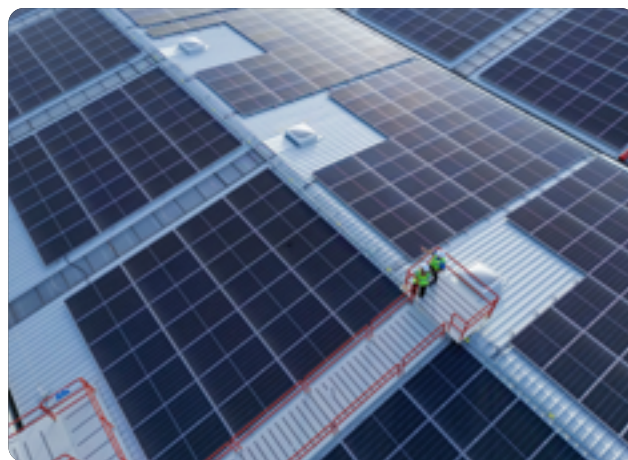
The company publishes annual Allocation & Impact Reports in which it discloses how much is spent on each project and what the project's environmental benefits are. ⓘ These reports may be found at www.arcelikglobal.com/en/company/reports-presentations/green-bond-allocation-and-impact-reports/

Green Loans

In 2021 the company and the European Bank for Reconstruction and Development (EBRD) signed an eight-year EUR 150 million credit agreement. The first EUR 83 million tranche of the loan is structured in line with Loan Market Association Green Loan Principles and is the first externally verified green loan made to a Turkish manufacturer. The EBRD loan was granted to support a green investment program to transform operational processes and plants, and to fund in-house research and development of greener products in order to achieve the company's goal of becoming a net-zero company across its entire value chain by 2050. As required by the credit agreement, the company reports the progress of projects financed with EBRD resources to the bank on a regular basis.

Sustainable bank deposit

In 2024, the company invested TRY 30 million in a nine-month sustainable deposit, a type of fixed-term deposit whose funds are used to finance environmentally and socially responsible projects.



Sustainability-Linked Financing Framework

In April 2024, the company released a Sustainability-Linked Financing Framework, a document outlining how it will integrate its sustainability goals and targets into its financial decision-making. The Framework sets out the company's commitment to reducing its environmental footprint by targeting Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. It also includes goals for promoting gender equality by increasing the proportion of women in its workforce by 2030. This Framework was prepared in line with both the Sustainability-Linked Bond Principles (SLBP) published by the International Capital Market Association (ICMA) in June 2023, and the Sustainability-Linked Loan Principles (SLLP) published by the Loan Market Association (LMA) in February 2023.

ⓘ More information is available at www.arcelikglobal.com/en/company/investor-relations/sustainability-linked-financing-framework/

ARÇELİK SUCCESS STORIES



Arçelik's Ankara Dishwasher Plant has joined the ranks of global leaders in Industry 4.0, earning a place in the World Economic Forum's "Global Lighthouse Network" in 2024. This recognition follows the factory's successful digital transformation, incorporating artificial intelligence, machine learning, and IoT infrastructure. The admission makes the plant the third Arçelik facility to be included in the network, after the Ulmi Washing Machine Plant in Romania and the Eskişehir Refrigerator Plant in Turkey.

Arçelik has expanded its presence in the worldwide R&D network with the opening of a new R&D center in Egypt. Spanning 1,500 m², the center houses state-of-the-art laboratories and a cooking experience center, focusing on the development of innovative technologies tailored to regional cooking and food storage habits. In addition to launching joint thesis projects with leading Egyptian universities, the company plans to further drive innovation through initiatives aimed at developing new ideas in various fields.

Arçelik CEO Hakan Bulgurlu has been leading the way in the European home appliance industry since 2023 as president of Home Appliance Europe (APPLiA). Based in Brussels, APPLiA brings together the European household durables industry under one roof with a shared mission of improving the lives of European consumers.

In 2024, Arçelik joined forces with Coolblue, a Dutch energy supplier, to launch a connected washing machine that integrates with smart grids and responds to electricity market demand. This partnership includes a recurring-revenue model-based collaborative agreement.

With a score of 89/100, Arçelik earned the highest score in the DHP Household Durables Industry in the S&P Global Corporate Sustainability Assessment in the household durables sector for the sixth year in a row as of November 22nd 2024. The company was also included in the Dow Jones Sustainability Index for the eight consecutive year in 2024.

Beko has been ranked 44th on TIME Magazine's list of World's Most Sustainable Companies 2024. As the top-ranked company in the home appliances category and the only company from Turkey to be included in the list, Beko achieved a score of 75.68 out of 100 and placed fourth in its sector.

Arçelik CEO Hakan Bulgurlu joined the CEO Climate Leaders Alliance along with 131 global CEOs signing an open letter urging governments and businesses to take bold action on climate change. This alliance has achieved a 10% reduction in emissions since 2019 and highlights the critical role of the private sector in reaching net-zero emission targets.

A EUR 350 million three-year syndicated loan facility for Beko BV was finalized in August 2024. This landmark agreement, the Koç Group's first syndicated loan, involved the participation of regional and international banks and is expected to play a key role in supporting strategic initiatives, including the development of new, recurring-revenue business models. Financial institutions in Europe, the Middle East, and Asia showed significant enthusiasm for the syndication, underscoring their confidence in the company's strong financial standing. Coordinated by Emirates NBD, the syndication was initially launched with a target of EUR 250 million. However, due to overwhelming demand from 14 participating financial institutions, the deal was finalized at an impressive EUR 500 million, double the initial target.

Arçelik has been awarded scores of "A" in both the Carbon Disclosure Project's 2024 Climate Change and Water Security programs.

Widely known for its pioneering technology and innovative practices, Arçelik inaugurated its Developers' AI Platform, an artificial intelligence-based platform for software developers. Integrated with OpenAI's GPT models, the platform gives the company's in-house software developers convenient access to Arçelik's proprietary cloud-based AI resources with the protection of the most stringent data security protocols currently available.

Newly commissioned solar energy investments brought Arçelik's total installed renewable energy capacity to 90.2 MWp as of end-2024:

- Çerkezköy Laundry Dryer Plant 0.91 MWp
- Pakistan Washing Machine, Air Conditioner & Cooking Appliances Plant 1 MWp
- Eskişehir Factory-6 3.74 MWp
- Bolu Cooking Appliances Plant 0.26 MWp
- Manisa Washing Machine and Refrigerator Plants 8.24 MWp
- Pakistan Refrigerator Plant 1 MWp
- Voltbek Refrigerator Plant 1 MWp
- Kayseri 11.58 MWp
- Aksaray 42.15 MWp

For the fifth time in a row, Arçelik was included in the Corporate Knights Global 100 Index, which recognizes the world's most sustainable companies. Moreover, Arçelik ranked 68th in overall list and 1st in the Consumer Durables Industry.

INNOVATIVE PRODUCTS

Beko EnergySpin models were rolled out globally in 2024, focusing initially on the Turkish and European markets.

Unveiled at IFA23, Beko EnergySpin models were rolled out globally in 2024, focusing initially on the Turkish and European markets. By dissolving detergent faster and more thoroughly, EnergySpin's proprietary patented agitation patterns outperform traditional ones, reducing energy consumption by up to 35% on the most frequently used programs while delivering the same or even better washing performance.



The Grundig AI-Sense, our first autonomous washing machine, is now in mass production. Showcased at IFA23, the Grundig AI-Sense boasts A-10% energy-efficiency and both auto-dosing and auto-rinse technologies. 24% of the unit's weight comes from recycled materials. The Auto Dose feature not only optimizes detergent use but also reduces the product's lifecycle carbon footprint by 32%.*

Beko has begun promoting and selling top-loading washing machines in the European market for the first time. Top-loaders are widely used by consumers in search of space-saving laundry solutions.

With the addition of Whirlpool, Bauknecht, Hotpoint, and Indesit, our portfolio has been expanded by the addition of four respected brands known for their fresh designs and innovative technologies that meet customer needs.

A trailblazing name in home technology, the company is driving the consumer durables sector forward with innovations designed to transform the healthy-nutrition market. Yogurt, a staple of Turkish cuisine, regains its traditional taste thanks to Arçelik's cutting-edge "Tadı Var" yogurt-making appliance. With its ability to make both probiotic yogurt and kefir, Tadı Var offers a brand-new experience for new generations looking for a quick, convenient, and wholesome way to make their own yogurt at home.

*Carbon emissions are highly correlated with consumer use. For example, a critical factor in minimizing them in washing machines is the use of liquid detergent. The values presented here are based on measurements from the Arçelik 10140 PM washing machine.

At EuroCucina 2024, the company introduced Europe to a new dishwasher that is 20% more energy-efficient than A-rated appliances along with its revolutionary integrated heat pump technology.

Driven by the brand's vision of making healthier cooking easier, the company's built-in ovens are distinguished by their Airfry technology and automatic steam generators. Such technologies are further enhanced by SmartBake Pro, which ensures perfect cooking and automatic shut-off thanks to its humidity sensor, and by AeroPerfect, designed for Beko to provide even heat circulation throughout the oven. Besides making the meal-preparation experience more enjoyable and rewarding, Arçelik's A+ and A++ energy-rated built-in ovens reduce energy consumption without compromising on performance.

For select dishwasher models made in Turkey, Arçelik has switched to recycled ABS plastic for trim and styling elements, thereby eliminating the need for petroleum-based ABS and paint finish that such components require. Arçelik has also begun using recycled materials such as mineral-filled polypropylene for other plastic parts. As a result of these changes, the amount of recycled plastic currently being used in the dishwashers that the company manufactures in Turkey reached 26.1% of the total in 2024.

Committed to user-centric innovation, our company adheres to data-driven approaches when addressing energy-efficiency issues. This attitude led to the development of OptiCool, a project for refrigerators that optimizes cooling performance by tracking and analyzing



users' habits. Capable of achieving energy savings of up to 20%, OptiCool technology advances personalized energy management as a key component of our sustainability initiatives.

We unveiled two groundbreaking products at the 2024 EuroCucina Fair: the world's first integrated heat pump technology and a dishwasher that surpasses A-rated energy-efficiency by 20%. At the same event, the company also introduced a new top-of-the-line dishwasher compatible with heavy doors.

Taking cooking automation to the next level, the company launched its first camera-equipped oven at the 2024 EuroCucina Fair. This innovative appliance uses AI to recognize food and initiate the cooking process automatically while also allowing for remote monitoring.

MAJOR COMMUNITY INVESTMENT INITIATIVES

The company's target-fulfillment progress has earned it a citation in a global report published by UN Women.



- As a signatory to the UN Women Generation Equality platform's Action Coalition initiative, the company has pledged to support the empowerment of women and girls in the fields of technology and innovation by the year 2026. Its progress toward these goals has been recognized in a global report published by UN Women.
- WE-inTech, launched by the company in 2019 to inspire future female engineers and R&D professionals, encourages them to pursue careers in engineering and next-generation R&D while supporting their development. In line with its 'Action Coalition' target, the program expanded and globalized under this name. In 2024, 40 students from Turkey participated in the program.
- Since 2019, the company's "Her Business, Her Power" project, which promotes equal opportunity for the sake of social wellness, has been actively working to strengthen women's presence in Turkey's formal economy and job market. As a result of this focus, 125 dealerships and 151 stores are owned and/or operated by women.
- In 2024, 68 students and 17 teachers from four Vocational and Technical Anatolian High Schools across Turkey participated in the Erasmus+ program, an initiative that promotes cross-border exchange and collaboration between institutions through activities focused on education, training, and professional development. The participants were sent to various production facilities and businesses in Romania, Czechia, and France, thanks to a grant provided by the EU Education and Youth Programs Center (Turkish National Agency). The program also included internships of varying durations: 21 days for 65 students and 90 days for 3 students.

AWARDS & RECOGNITIONS

With a score of 89/100, Arçelik topped the S&P Global Corporate Sustainability Assessment in the household durables (DHP) sector for the sixth year in a row as of 22 November 2024. The company was also included in the Dow Jones Sustainability Index for the 8th consecutive year in 2024.

Arçelik received three awards at the Green Transformation Awards organized by the İstanbul Chamber of Industry. The NEO Autonomous Washing Machine won in the Environmentally Friendly Product category while both the 60 cm A Energy Class Bottom Freezer Refrigerator and the A+20% Energy Class Heat Pump-Equipped Dishwasher were honored in the Energy-Efficient Product category.



In 2024, Arçelik was the recipient of two honors at the 11th iteration of the Turkey Sustainable Business Awards. Arçelik's 2023 Sustainability Report earned the company its sixth consecutive Sustainability Reporting Award, this year receiving special recognition as an Honorary Award. In addition, the Arçelik Neo Autonomous Washing Machine won the Sustainable Product Innovation award.

DOMINO: The Little One, a video game created to raise people's awareness of the climate crisis and other environmental issues, has so far received the following awards:

- **Golden Drum:** Silver (Storytelling) and Bronze (Illustration & Design)
- **Crystal Elma Awards:** Crystal (Design/Games) and Bronze (Digital/Social Responsibility)
- **Felis Awards:** Felis Global (Social Responsibility & Sustainability)



AWARDS & RECOGNITIONS

In 2024, **Dawlance** won awards in several prestigious local and international competitions in recognition of the effectiveness and creativity of its marketing projects.

- With its insight-driven emotional storytelling and impactful visuals, Dawlance's Father's Day campaign resonated with a wide audience and earned the brand a gold award at **Dragons of Asia 2024**.
- At the **Pakistan Effie Awards**, Dawlance's communications won Gold, Silver, and Bronze in a variety of categories in recognition of their superior marketing effectiveness. Dawlance's focus on performance marketing was also honored by a Pakistan Effie Award in that category for the second year in a row.
- Dawlance's exceptional record, service, and performance earned it honors at the 21st edition of Pakistan's **Annual Environmental Excellence Awards** in August 2024.



In Germany, **Grundig's EasyCurl™** campaign demonstrated the brand's marketing prowess and innovative thinking by winning the **German Brand Award 2024**, a prestigious honor that recognizes excellence in brand management.

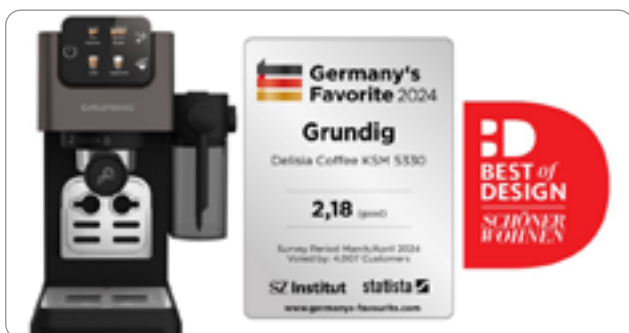
Both **Beko** and **Grundig** earned international recognition in 2024, capturing numerous prestigious awards for their design, innovation, and brand strengths. Beko's innovative PowerClean VRT 94929 VI upright vacuum cleaner and CaffèExpert series of fully automatic (CE 6000, CE 7500) and semi-automatic (CE 3000) coffeemakers all earned "**Best Buy**" awards from the UK's highly respected Which? consumer reviews magazine. Beko earned a 2024 Red Dot Design Award for its Icon Design Language, an innovative approach to interface design. Grundig also received a Red Dot Award last year, with its portable party speaker demonstrating the brand's design leadership in audio technologies. The Red Dot Design Award is an internationally recognized mark of excellence in product design.

German Brand Award 2024 for EasyCurl™ campaign





Beko was named a finalist in the “**Best Smart Innovation**” category for small home appliances at the **IER Awards 2024**. In Germany, the **Grundig Delisia Coffee KSM 5330 Espresso Machine** received both the “**Germany’s Favorite**” and “**Best of Design**” awards. The **Grundig Delisia Coffee KVA 7230** model earned a “GOOD” rating from Computer Bild, a leading German consumer electronics magazine, after excelling in their rigorous testing. In a readers’ poll conducted by **Les Numériques**, a prominent French consumer technology website, the **Beko CEG7304X espresso machine** emerged as a favorite among small home appliances.



For exceeding consumer expectations in its category, the **Blomberg LWF1114520W washing machine** earned a coveted “**BEST BUY**” award from **Which?**, the UK’s leading consumer testing organization.

Beko earned a **Bronze Lion at the Cannes Lions International Festival of Creativity** for its global campaign, “**The Beko Inheritance**.” Beko’s campaign, a blend of creativity and humor highlighting the durability and longevity of its products, won the Grand Prix award in the PR category at the Epica Awards. The campaign also earned one gold, two silver, and one bronze in other categories.

Completing Beko’s **Which?** hat trick, the UK’s leading consumer goods review and rating website and magazine rated the **Beko B3D512844UW washer-dryer** combo a **BEST BUY** in its category as well.

Beko received the Environmental Brand of the Year Award at the 4th iteration of **annual Boğaziçi Environmental Awards** presented by the Boğaziçi University IEEE Club.

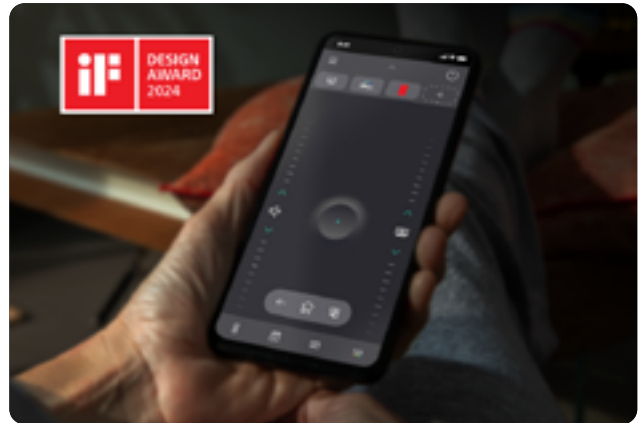
Beko Turkey’s “**Her Business, Her Power**” project earned a Gold award at the **SMARTIES™ AWARDS Turkey 2024**.

AWARDS & RECOGNITIONS



Grundig's "Ruhun Doysun" Chatbot communications earned the company a **Martech Award** in the "Best Use of Technology on Social Platforms" category. Grundig's "Su Altında Reggae" advertisement for its line of speakers also earned a **Crystal Elma award** in the "Consumer Durables" category.

An innovative user-centric and fully customizable **mobile TV remote control app** that was developed by Arçelik won the prestigious "**iF Design 2024**" award. This app significantly boosts the competitiveness of the company's TVs by using both haptic and visual feedback to enhance the viewer experience.



Singer Bangladesh continued to rack up awards, boosting its brand value and market reputation:

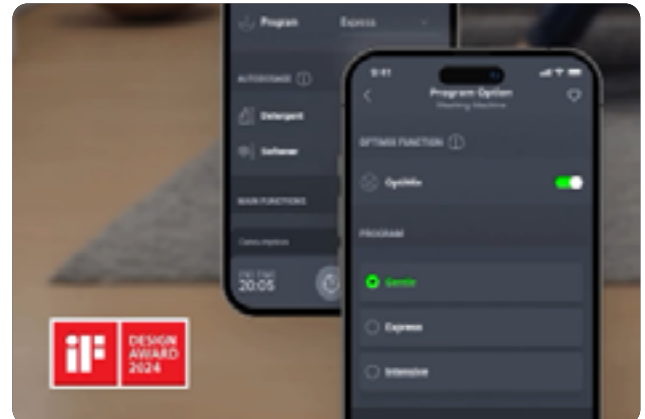
At the 2024 Bangladesh Retail Awards organized by the Bangladesh Brand Forum to recognize organizations that transform the retailing industry as it undergoes rapid digitalization, Dawlance received five prestigious awards. The top awards that Singer Bangladesh brought home last year included not only "**Best Retail Campaign**," "**Best Retail Activation**," and "**Best Retail Renovation**," but also "**Best Electronics Retailer**" and "**Best Retailer of the Year**."

In the 2024 edition of the annual “**Turkey’s Lovemarks**” survey conducted by MediaCat-Ipsos, **Arçelik** was once again named the country’s most beloved white goods brand. Arçelik is the first and only brand to hold this prestigious title for 16 years in a row.

Beko’s Fitfry Built-in Oven communications earned the brand a **Silver Effie** in the Durable Goods category in Turkey.



With a proven track record of excellence in combining innovative design with technology, our company triumphed at the **iF Design Award 2024**, one of the world’s most prestigious design competitions, bringing home nine iF Design Awards: five for product design and four for user interface and user experience (UI/UX) design.



Beko Turkey’s “Her Business, Her Power” project was a major winner at the **MediaCat Felis Awards**, one of the most prestigious awards in the marketing and communications industry. The project earned a Grand Prize, Gold, and Bronze from Felis Curious as well as a Felis award. Beko’s Corporate Image film also received a Felis award.

AWARDS & RECOGNITIONS

Arçelik's "Controlling Workspaces and Ensuring Employee Safety with Artificial Intelligence" project has been chosen to represent Turkey in the **European Good Practice Awards** competition held annually by the European Agency for Safety & Health at Work (EU-OSHA). The theme of the year's competition was "Safe and healthy work in the digital age".



Arçelik Hitachi Home Appliances (Thailand) was awarded a Provincial-Level Excellence in **Occupational Safety, Health, and Environmental Conditions certificate** in 2024.



Çerkezköy electronics plant was awarded with the **"Safe Maneuvering in High Voltage"** project in the Occupational Safety Stars Awards competition of the MESS Turkish Metal Industrialists Union.



Beko Thailand's factory earned a **Bronze award** after successfully undergoing an audit of its Occupational Health and Safety Management Standards (T-OSH ZAC) by the Thai government.



Beko Romania's Occupational Health and Safety training program, which fosters a safer work environment through proactive learning, was honored with a **GovNet Health & Safety Award** in recognition of the program's successful integration of training into the workplace environment.

Dawlance Pakistan received two awards for its commitment to safety: The Fire Safety Award from the National Forum for Environment and Health Pakistan, and second place in the Occupational Health and Safety category from the Employers' Federation of Pakistan.

In Romania, the **Arctic** brand was the recipient of several awards:

It was named one of **the country's four most admired brands** for five years running in surveys conducted by Unlock Market Research and BIZ Magazine. It also won awards for its efforts regarding sustainability, innovation, and social impact.

- The "Out of Love for the New Arctic Kitchen" campaign earned the "Best Digital Innovation" award at Webstock 2024.

Beko Romania likewise racked up a number of successes in 2024:

- The company won the "**Best Digital Innovation**" award at Webstock 2024 for its "**For Everyday Situations**" campaign. At COMMA 2024, the same campaign received a silver award in the "**Best Content Strategy**" category.
- The company's "**We Develop Sustainable Romania**" campaign showcasing the Ulmi factory's commitment to sustainability and its positive impact on society earned an award in the "**Responsible Consumption and Production**" category.
- The SaveWater campaign earned recognition at the #PRAwards, winning in the **Digital and Social Media PR category** for its effective efforts to raise public awareness about water conservation.



OUR BRANDS

ARÇELİK

Arçelik is the first and only brand to be selected as a Lovemark for 16 consecutive years.

Turkey's most beloved white goods brand Arçelik has been leading the way with innovative home technologies for 69 years.

With its extensive sales and service network spanning the entire country, Arçelik offers innovative and smart products that minimize environmental impact while maximizing customer experience.

A Turkish Lovemark for 16 years

Arçelik was once again named the most beloved white goods brand in Turkey in the 2024 "Turkey's Lovemarks" survey conducted by Ipsos for MediaCat.

Arçelik is the first and only brand to be selected as a Lovemark for 16 consecutive years.

2024 product and campaign highlights

A comprehensive launch campaign for **Arçelik's Kahve Ailesi** line of coffeemakers featuring Kenan Doğulu began

on May 31st. The campaign included a wide-reaching communication plan utilizing various media throughout the summer consisting of TV and radio spots, in-store promotions, digital marketing, sponsored concerts, product placements in TV series and programs, and staged events.

This communication played a crucial role in reinforcing Arçelik's image as a leading expert and innovator in the coffeemaker category, leveraging its position as the creator of the Telve machine. The campaign showcased the brand's premier coffeemakers and ingeniously incorporated the concurrently released Kenan Doğulu song "Kahve" as its advertising jingle, establishing a prime example of real-time marketing in the advertising industry.

Arçelik Small Home Appliances launched its communication efforts for the **Future Smart Series** early in the year, maintaining an active presence across all communication channels throughout the year, including TV commercials, digital marketing, radio commercials, in-store promotions, and product placements in TV series, and programs.



The main objective of these communications, which will continue to run in 2025, is to contribute towards fulfilment of Arçelik's profitability growth targets across all main categories. This is especially important in the highly competitive category of small home appliances, where the goal is to strengthen Arçelik's presence and reinforce its claims of expertise. Arçelik's Future Smart Series communications highlighted the most intelligent features of the brand's latest appliances, including espresso machines, irons, robot and upright vacuums, air fryers, yogurt makers, and multi-cookers.

As a main sponsor of the **Turkish National Football Team**, Arçelik planned a major launch communication to support the team's competing in the Euro 2024 tournament. A popular and well-known Turkish song was reimaged for use as a film score. The line "There's only one of us!" repeated in the song's chorus became the main slogan for the communication. In this way, the song celebrated the unique identity and spirit of Turkey, the Turkish National Football Team, and Arçelik in the same message. The campaign launched with a TV commercial featuring the song, which was also used across all communication channels, including TV and radio spots, fanzone event sponsorships, outdoor, in-store printed materials, Arçelik social media channels, and digital partnerships.

The commercial also prominently featured well-known players from the national team. Other communications were concurrently developed in parallel with this broader campaign to boost overall sales. A commercial produced for the Arçelik television family showcased its superior technological features and design while a concurrent campaign drew attention to a line of specially produced Turkish coffeemakers with a printed message supporting the national team.

Beginning in January 2024, Arçelik undertook a significant investment involving its comprehensive, 360° communications strategy for the brand's **Neo Washing**



Machine. This investment encompassed a wide range of high-impact campaigns across various media consisting of television, radio, outdoor, BTL activities, and digital media.

Every channel was carefully utilized to effectively reach the target audience and ensure engagement. Meticulous pre- and post-campaign communication-focused research was conducted to measure and optimize the effectiveness of the communication strategy. Research results showed there was a positive impact on brand awareness and perception.

To introduce Arçelik's home and commercial technologies to industry stakeholders, **the Arçelik Energy Solutions Lorry** began a multi-city tour that set out from İstanbul's Kadıköy township in May. Showcasing Arçelik's advanced commercial technologies and product offerings, the vehicle made numerous stops at Organized Industrial Zones as it toured the country. The launch of Arçelik Energy Solutions and the lorry's route were communicated to audiences through a multi-channel campaign encompassing outdoor advertising, radio, digital channels, BTL activities, and television. By showcasing products like solar panels, heat pumps, and EV charging stations, this project successfully raised product group and category awareness.

OUR BRANDS

BEKO



A global player

Beko offers intelligent solutions that use people and planet-friendly technologies to protect human and environmental health. Beko supplies consumers across the globe with an extensive lineup of products ranging from standalone and built-in white goods to air conditioners and small home appliances. A leading consumer appliance brand with a presence in over 130 countries and preferred by millions worldwide, Beko is the category leader in the UK and is also Europe's number one major home appliance company.

Supporting healthy living

Believing that supporting healthy living should be a core element of its brand image, Beko conducts its operations in line with its "Empowering next generations to live healthier lives" message. As a company whose focus on healthy living goes back many years, Beko promotes healthy-lifestyle awareness and develops and offers products that enable and facilitate healthy living in a healthy world.

This brand mission is what drives Beko to focus on all the ways its customers can feel better – not just physically but in every other respect as well. The technologies that Beko offers are designed to support a holistic sense of wellbeing.

Sustainability approach

As the issues of sustainability and sustainable production have become increasingly important for consumers, this has opened up a whole new area in which brands must demonstrate their responsibility.

Beko's sustainability vision is built on three main pillars:

- Energy-efficiency
- Water efficiency
- Recycled materials use

In line with this vision, Beko is developing innovative technologies that save energy to reduce environmental impact and conserve natural resources; providing solutions that minimize water consumption; and increasing the use of recycled materials in its production processes.

Beko's sustainability goals are not limited to improving its existing products, however. The company also aims to create a broader product portfolio capable of making sustainability-focused solutions accessible to more and more users every day. Beko is developing innovative products made from recycled materials that save energy and water with the aim of helping people to reduce their own carbon footprint and make their own contributions to environmental sustainability while also doing so itself as a company.

For more detailed information about Beko and its approach to sustainability, please refer to "Arçelik and Sustainability" (📄 pages 135-263). in this report.

Beko conducts its operations in line with its "Empowering next generations to live healthier lives" empowering next generations to live healthier lives message.

Beko in Turkey

Beko's communications in Turkey are shaped by its core brand positioning while continuing its own investments in the market.

In 2024, Beko continued to conduct the small home appliance family communications campaign that it launched in 2023 to further increase brand awareness among target audiences. By showcasing its extensive range of small home appliances encompassing everything from vacuum cleaners and tea makers to multi-cookers and electric irons, Beko's communications strengthened the idea among consumers that "For small home appliances, think Beko."

The specifically tailored marketing and communication initiatives that were conducted have significantly boosted Beko's brand awareness, brand perception, and business results in the highly competitive categories of small home appliances and built-in appliances.

In 2024, Beko continued to prioritize the "Kadının İşi, Gücü" (Her Business, Her Power) project that it originally launched in 2019. Last year, the initiative was further supported by TV series integrations and special media campaigns that attracted a record number of responses to the project's message, and by the end of 2024, women made up 10% of the brand's dealership ecosystem. This project even earned Beko a place in Essentials of Modern Marketing, the latest book by Philip Kotler, one of the leading figures in marketing today. The book details the "Kadının İşi, Gücü" (Her Business, Her Power) project's journey from its initial launch to where it has come today. In addition to its reputation communications, Beko continued its sales communications, offering campaigns and competitive prices that met consumer needs under the slogan "Devir Bekonomi Devri" ("It's time for some Bekonomics.")

To reinforce its image as an innovative and technological leader in the television category, Beko launched its Beko Google TV line of units offering superior technology, design, and user experience. Combining Google's operating system and rich content with Beko's superior picture quality and sleek design, these TVs give consumers a truly special user experience.

In 2024, Beko returned to its rightful place on the Beşiktaş football team's jersey after signing a sponsorship agreement with Beşiktaş Gymnastics Club. Founded in 1903, Beşiktaş is one of Turkey's biggest and most venerable sports clubs. Building on its 30-year partnership with Beşiktaş Gymnastics, Beko released a new image film highlighting its commitment to supporting sports in all areas and contributing to the development of new generations of athletes.



OUR BRANDS

WHIRLPOOL¹



Whirlpool, a globally renowned premium appliance brand with over a century of experience, has a strong presence in Europe and is a leading choice in countries like France, Italy, and Poland (source: Kantar). Designed with the wellbeing of both consumers and the planet in mind, Whirlpool's sophisticated smart home solutions simplify everyday living with the company's patented "6th Sense" technology while delivering sustainable results.

Whirlpool's focus in 2024 was twofold: enriching the lives of its consumers and contributing to a more sustainable planet.

In April of the year during Milan Design Week, Whirlpool debuted its new W Collection Kitchen Suite at **EuroCucina FTK**, Europe's leading kitchen technology show. This suite, aimed at enhancing home comfort and convenience, consisted of premium, state-of-the-art culinary equipment and technologies while also showcasing the very latest in built-in kitchen appliances.

In April, Whirlpool relaunched its **360° MaxiSpace Dishwasher** campaign in France, promoting a new spacious dishwasher designed to help consumers "load it all and think less". Broadcast across TV, online video, digital, and social media, the campaign reached over 11

Whirlpool's focus in 2024 was twofold: enriching the lives of its consumers and contributing to a more sustainable planet.

million people. It incorporated new YouTube and Amazon Prime video formats, as well as a Fake Out of Home (FOOH) activation campaign. Within just a few weeks of launching the campaign, Whirlpool saw increased dishwasher sales, propelling it to the number one brand in its category in France (source: Kantar).

Last year, Whirlpool continued its partnership with Wanderlust 108, a unique triathlon event that promotes a more sustainable planet. In September, thousands of participants gathered in Milan for an event featuring a range of activities promoting physical, mental, and collective wellbeing. These included energizing yoga sessions, wellness consultations, a 5 km run/walk, and guided meditation. Whirlpool representatives contributed to the event with a series of live cooking demonstrations promoting healthier and more mindful lifestyles in the home.

Winding up a strong year, in October Whirlpool launched its innovative initiative, "The Wash Less Project". This project, developed in collaboration with premium furniture brand Natuzzi and renowned Novembre Studio, aims to encourage consumers to wash less often and fewer things by adopting more sustainable laundry habits at home. The centerpiece of the project is a stylish armchair, the brainchild of the renowned designer Fabio Novembre. Besides being comfortable to sit in, this chair also serves as a traditional clothes valet for garments that have been worn but don't need to be washed just yet, thus encouraging a more sustainable approach to laundering habits. Launched with a comprehensive 360° communication plan, The Wash Less Project is part of Whirlpool's EcoPlayer platform, which is dedicated to offering consumers tangible solutions for more conscientious lifestyles.

¹ Licensee limited to certain jurisdictions.

GRUNDIG



Germany-based Grundig introduced its first product in 1945: a tabletop radio that made the outside world a little more accessible to the country's people in the post-war period. Since then, the company has built a reputation for high-quality, design-forward appliances and electronics ranging from major white goods to consumer electronics and small home comforts. Grundig's vision is to keep a close watch on evolving technologies and use them to create a better future. Grundig believes that small changes in our homes can have a big impact on the world. For Grundig, "A better future starts at home".

Respect for the Planet and **Respect for Food** are at the heart of Grundig's sustainability vision. By integrating these values, Grundig seeks to deliver a sustainable and premium experience for consumers.

Grundig believes in respecting the planet. This belief drives the company to develop energy-efficient technologies using with sustainable materials that minimize environmental impact, ultimately providing consumers with eco-friendly solutions. Grundig invites consumers to join them on their sustainability journey with this message: "For years, we've been designing technologies and products to support your lifestyle sustainability. We believe that every small step we take together makes a difference."

Grundig's Respect for Food approach is informed by a commitment to develop innovative technologies that

Grundig expanded its product selection in 2024 adding espresso machines, coffee grinders, and Turkish latte coffeemakers.

prevent food waste. The company also actively works to raise awareness about this critical issue. Grundig is dedicated to reducing food waste through its Respect for Food initiative. Through impactful partnerships with the Food for Soul organization since 2016 and partnering with renowned chef Massimo Bottura since 2018, the company has been taking meaningful steps to both minimize waste and provide food to those in need.

2024 product and campaign highlights

Among last year's developments in Grundig's product categories, the launch of OLED TVs in 2024 is particularly notable because it reaffirms the brand's commitment to delivering cutting-edge consumer electronics. This OLED TV boasts perfect black depth and a wide color gamut for an exceptional viewing experience, complemented by a high-quality sound system that delivers cinematic audio. Together, these features reinforce the product's key role in the brand's portfolio.

In the washing machine category, Grundig continued to focus on its existing "Stop the Cycle" message centering on its onboard FiberCatcher technology. The world's first fully integrated microfiber filtering system specially designed for home washers, FiberCatcher traps up to 95% of the waterway and ocean-polluting synthetic microfibers that are typically released during washing. In 2023 the newly launched AI-Sense Washing Machine also joined the brand's portfolio as an important addition to its lineup of products focused on sustainability, quality, and aesthetics. The machine's intelligent technology maximizes washing cycle efficiency while also making the appliance remarkably user-friendly.

In the dishwasher category, Grundig's Prodose technology aims to minimize water and detergent waste, thereby reducing environmental impact.

In the cooking appliance category, Grundig's position in the market continued to be strengthened by the innovative HotAero Pro technology which helps prevent food waste

* FiberCatcher: Tested by VDE, FiberCatcher prevents wastewater pollution by reducing microplastic pollution by up to 95%.

OUR BRANDS

by optimizing cooking conditions and which was introduced as a part of a general overhaul of that category in 2020. The company continues to support the cooking appliance category with new technology launches.

In the refrigerator category, Grundig continued to abide by its pledge never to compromise its brand promise of sustainability, quality, and aesthetic design by introducing new technologies like AeroFresh, which keeps food fresher for 30% longer.

Grundig in Turkey

Grundig connects with consumers through a diverse range of channels, including traditional retail, organized retail, and online platforms. The company offers a wide array of products across categories such as televisions and audio systems, major appliances, kitchen appliances, and small domestic appliances. Grundig continues to expand its sales network with new online and offline channels while broadening its product range with new technologies. Grundig expanded its product portfolio in 2024, entering the microwave, air conditioning, and built-in appliance categories. The company also broadened its offerings in the TV, electric iron, vacuum cleaner, and personal care categories.

In late 2023, Grundig Turkey launched its first experience store. Located within the MediaMarkt Lighthouse store at İstanbul's Marmara Park Shopping Mall, this innovative space is designed to provide customers with an immersive brand experience. In 2024, Grundig broadened its customer reach by launching its products in Koçtaş stores and creating new opportunities to connect with consumers. The placement of Grundig products in nearly 30 Koçtaş stores not only reinforces the brand's identity and enhances its visibility but also strengthens its ability to interact with existing and new consumers.

* AeroFresh: To test the effectiveness of Grundig AeroFresh technology, identical food items were stored in two sets of refrigerators: one with AeroFresh and one without. Results were then compared. Samples of carrots, fresh-cut iceberg lettuce, fresh-cut tomatoes, strawberries, salami, and cheese were tested by Intertek. Sensory evaluations were conducted to determine "general acceptability," a parameter used to measure weight loss and shelf life. The samples were stored for 12 days, with one set kept in an AeroFresh refrigerator and the other in a standard refrigerator without AeroFresh. For purposes of evaluation, only samples stored near the front of the bottom shelf of each refrigerator were compared with one another.

New product launches

Grundig expanded its product selection in 2024 to offer a more complete range of coffee-related appliances, adding espresso machines, coffee grinders, and Turkish latte coffeemakers. Grundig's distinctive manual espresso machine has driven notable growth in the solo traditional espresso machine category according to retail panel reports. The company's successful partnership with The Whirl coffee roastery also continues.

In 2024, Grundig introduced its Nano QLED TV to the market, accompanied by a 360° marketing campaign across all channels. With the tagline "Everything You Want From A Good TV," the campaign showcased the TV's impressive features and utilized global content adapted for local appeal. The successful Nano QLED TV launch in Turkey enabled Grundig to increase its market share across all online and offline channels. Grundig leveraged the Europe Cup to promote its Nano QLED TVs, collaborating with its global team on a multi-channel campaign. With the slogan "• 70 Years of Immersive Sound and Stunning Resolution: Experience Every Move, Every Goal", the campaign launched in newspapers and extended its reach with a compelling desktop film shared across all channels. This campaign is also the first time Grundig used AI to generate voiceovers in its marketing materials

In 2024, Grundig expanded its audio systems portfolio with a series of new product launches, reinforcing its presence across all market channels. Grundig launched its Party Hit Max premium soundbars (DSB 3000 & 5000) with the tagline "Feel the Beat, Can't Retreat", creating an immersive audio experience that captivated consumers. The campaign featured global films with AI-generated voiceovers and was promoted across both offline and online channels. Grundig also launched its Outdoor Speaker Family with a comprehensive 360° campaign across all channels. The campaign, with the tagline "Sound that Delivers", showcased the power and versatility of these speakers designed to bring music to any outdoor setting.

In the major appliances category, Grundig highlighted its commitment to sustainability with the FiberCatcher washing machine, which filters up to 90% of harmful synthetic microfibers released during washing. The campaign, adapted for the local market, reached consumers through a mix of offline and online channels.

HOTPOINT

Founded in 1911 in the United States, Hotpoint has been a trusted business partner and a household mainstay providing “Thoughtful Home Solutions” for over a century. Beginning with an electric iron as its first product, Hotpoint expanded its offerings with the launch of a washing machine in 1920 and with the introduction of dishwashers, ovens, and built-in kitchen appliances in 1970. Hotpoint’s commitment to its customers was recognized in 2015 when the company was designated a Superbrand in the United Kingdom. Hotpoint’s Multiflow ovens, with their ability to cook evenly on every rack, earned Good Housekeeping accreditation in 2020. In 2021, Hotpoint unveiled its new brand and enhanced digital strategies.

New campaigns, milestones and awards

In 2024, Hotpoint achieved a significant milestone by becoming the top brand in Built-In Cooking Expertise in Italy. A significant part of this achievement is attributed to the brand’s partnership with Italy’s number one cooking show, MasterChef Italia, which supported the growth of the brand’s spontaneous and overall brand awareness. The 2024 partnership included product placements (CleanProtect induction cooker and active steam oven), TV advertisements, digital advertisements, licensing, and media kits; and enabled a holistic activation encompassing trade partner activation and events.

Hotpoint also had its own booth at EuroCucina 2024, the biggest international kitchen furniture exhibition in Europe. The brand’s core message was communicated through a cooking show conducted in collaboration with MasterChef that featured 2024 MasterChef winner Eleonora Riso. The showcased products included the Minerva and Materia Ovens Refresh, G45 Oven, Home Collection ovens, a microwave-enabled oven, and the I300 hob.

Hotpoint’s “Happy Birthday” integrated brand value campaign aired in the United Kingdom in May last year. The campaign included a 60-second ad for cinemas, 30, 15, and 6-second versions for TV, social media, and digital platforms, an influencer campaign, media communications, and a strong outdoor advertising plan in London and other cities. This campaign won a Silver award in the Digital Integrated Campaign category at the NC Digital Awards in the “Electronic Devices & Audio-Visual Equipment” category. The NC Digital Awards are handed out by one of Italy’s most prestigious forums for digital marketing to recognize the best in the industry.

Hotpoint has been a trusted business partner and a household mainstay providing “Thoughtful Home Solutions” for over a century.



* Kantar, 2023 H1

OUR BRANDS

ARCTIC

Innovation trusted in Romanian homes for over 50 years and a bridge to the future

With a history spanning over half a century, Arctic is one of Romania's most beloved home appliance brands and a leader among local brands. For five years running, Arctic has been recognized as one of "Romania's Most Powerful Brands" according to research conducted by Unlock Market Research and BIZ. Arctic is committed to making technology accessible and works hard to provide reliable, user-friendly products that meet the needs of today's consumers. However, Arctic goes beyond innovation by actively promoting sustainability education and inspiring greener choices in every household. Focused on energy-efficient solutions, responsible production, and enduring quality, Arctic is a reliable business partner and household durables maker committed to creating a sustainable future for a better tomorrow.

New campaigns, milestones and awards

In 2024, Arctic continued to adapt its brand positioning to meet consumer needs, building on the communication of its redefined brand purpose that began in 2023.

In line with this, Arctic spearheaded two impactful communication projects in 2024, achieving considerable success with both initiatives.

1. "Out of Love for the New Arctic Kitchen" for the Arctic built-in series of kitchen appliances

The digitally conducted "Out of Love for the New Arctic Kitchen" campaign featured visually appealing kitchen videos that seamlessly integrate Arctic products and technologies. Taking inspiration from the most sought-after recipes in Romania reinterpreted with a modern culinary twist, the campaign showed how easy it is to

In 2024, Arctic continued to adapt its brand positioning to meet consumer needs.



prepare offerings with the help of Arctic appliances and technologies.

The campaign generated a compelling digital ecosystem that proved highly effective, exceeding its initial key performance indicators. The campaign's success was acknowledged with Bronze in the Best Brand Performance category at the Webstock digital competition.

2. Cross-Category Integrated Campaign for a new line of Arctic products

An integrated campaign across multiple product categories was carried out to introduce a new Arctic product range. One aim of the campaign was to further enhance Arctic brand perception with its unconventional approach. Launched to showcase a new range of major domestic appliances with their improved design and enhanced features and technologies, this category-wide campaign focused on strengthening the brand's "Evolutionary" promise in the eyes of consumers. Employing a comprehensive communication strategy that included both TV and digital channels, the campaign effectively showcased how the evolution of home appliances can bring about a transformation in one's lifestyle.

ARISTON¹

An Italian brand created in 1960 by Industrie Merloni, Ariston introduced its revolutionary Unibloc, a kitchen appliance combining a stove, a refrigerator, and a dishwasher in a single unit in 1962. The brainchild of Japanese designer Makio Hasuike, this innovative product was showcased at the Museum of Modern Art in New York, an honor that drew international attention to Ariston's leadership in design and functionality for the first time.

Ariston expanded its product range in the 1970s in response to the growing demand for energy-efficient and reliable household appliances. During this decade, the brand increased its appeal with an expanded range of household appliances, such as washing machines and ovens, further solidifying its position in Italy and Europe.



Ariston continues to be a reliable name in the white goods industry.

In the 1980s, Ariston's international presence and brand awareness grew significantly thanks to its sponsorship of the Juventus football team. This partnership, which linked Ariston with Italian excellence, allowed the brand to reach a wider audience and helped it expand into markets outside of Europe. Over the years, Ariston has proven its reliability in the household durables industry and established itself as a trusted name.



¹ Licensee limited to certain jurisdictions.

OUR BRANDS

LEISURE

Leisure, a British company with over 140 years of experience in manufacturing cookers, is one of the leading brands in cooking appliances in the United Kingdom. With over 35 models available in a wide range of sizes, colors, and heat sources, the company's portfolio ensures that there is a Leisure cooker to suit every kitchen.

Leisure's marketing communications are invitations to everyone to experience the joy of cooking with stylish appliances. Leisure cookers are designed to be the heart of the kitchen, bringing families and friends together to create and celebrate.

Leisure's commitment to quality, reliability, and customer satisfaction is reflected in the brand's impressive 4.5 out of 5 product recommendation rating on Feefo, an independent customer review platform. 88% of

consumers on the website recommend the brand's products.

A new Anthracite color option that was added to Leisure's Chefmaster range in response to consumer research and the latest design trends last year further boosted the brand's market competitiveness.

With over 35 models available in a wide range of sizes, colors, and heat sources, the company's portfolio ensures that there is a Leisure cooker to suit every kitchen.



INDESIT

Indesit believes household chores are for everyone to do. Indesit's appliances are designed to be so simple to use that everyone in the home, regardless of gender, age, or physical ability, can easily do their part. With over 60 years of history in Europe, the brand champions shared responsibility and equality at home.

#DoltTogether

Since 2017, Indesit has been championing equality in the home, encouraging those who live together to share household chores and embrace the idea that housework is everyone's responsibility. Having created easy-to-use appliances equipped with Push&Go and Turn&Go technologies that enable everyone in the house to do their part just by pressing a button or turning a knob, Indesit invites everyone to join #DoltTogether, a movement that not only promotes harmony at home through collaboration but also takes the first step towards achieving individual equality.

Indesit has created easy-touse appliances equipped with Push&Go and Turn&Go technologies.

Two new campaigns

Indesit's 2024 digital campaign centered around the theme of harmony to bring this idea to life. The core of the brand's "The Sound of Collaboration" digital campaign message was "Just like in a band or an orchestra, harmony at home emerges when everyone works together as a team. It's the same with housework: when the household collaborates, harmony is achieved." The campaign harnessed the power and rhythm of music created from the sounds of everyday chores. Each appliance and task contributes to the harmony when everyone in the home collaborates, and that harmony is disrupted when someone does not participate. As the Indesit Push&Go button is pressed and everyone completes their task, the music bursts into life, underscoring the brand's #DoltTogether message.

The Indesit x P&G "Wash Away Doubts" co-branding campaign introduced the new Indesit x Ariel/Dash PODS Cycle. This is Indesit's first co-innovation and co-creation project with P&G. The campaign message highlights how the PODS Cycle makes washing machines even more practical by eliminating the need to worry about program settings and measuring detergent: "Simply place a PODS in the drum, put in the dirty clothes, press start, and end up with perfectly clean laundry in just an hour at 30°C. The whole thing is so easy that everyone in the house can do it."



OUR BRANDS

BLOMBERG

Founded in Germany in 1883, Blomberg has a venerable reputation of 140 years of quality and innovation.

Focusing on intelligent solutions, energy-efficiency, and the highest-quality materials, Blomberg endeavors to blend superior performance and contemporary European design.

Striving to provide consumers with everything they need for a quality and well-balanced lifestyle, Blomberg develops high-tech, aesthetically designed, and user-friendly products whose environmental footprint is minimized.

Blomberg has a venerable reputation of 140 years of quality and innovation.



Defy has achieved a leading position in eight out of nine home appliances categories.

DEFY



Founded in 1905, Defy is a trusted home appliance brand known in South Africa for its innovation, quality, and affordability. It boasts an impressive 99% brand awareness and commands a leading market position in the country. Defy is a household name in South Africa, with its appliances found in a remarkable 80% of homes across the country. The brand's widespread reach has made it an essential part of daily life for millions. Since its acquisition by Arçelik in 2011, Defy has thrived by combining Arçelik's global expertise with local manufacturing muscle. This has allowed Defy to expand its product offerings and consistently meet the evolving needs of its customers.

Defy is making a major commitment to sustainable manufacturing at its flagship Durban facility. This investment highlights the company's dedication to environmentally sound production practices, in line with Arçelik's global sustainability standards. With its new slogan "The Art of Living," the brand is redefining itself, showcasing a holistic approach that values design, technology, and innovation in every aspect of life.

In 2024, Defy expanded its retail network with 16 new flagship stores that offer immersive shopping experiences

and feature interactive 3D displays and modern, consumer-focused designs. Defy has achieved a leading position in eight out of nine home appliances categories. Defy has also seen impressive growth in the microwave segment and has plans to accelerate this growth even further in 2025.

Customer satisfaction is likewise a top priority for Defy. The company is the hub of a network of 19 authorized service centers that provide easily accessible support all across South Africa. Defy has similarly recognized the importance of the booming e-commerce sector. To meet the growing demand for online shopping, Defy has partnered with online retailers Pure Play to increase its own online sales by reaching a wider audience.

Responding to market trends, Defy has introduced innovative products with advanced energy-efficiency such as its Solar Off-Grid range, which includes a 60 cm bottom freezer refrigerator and a chest freezer. These appliances feature a smart control box equipped with surge protection and USB ports. By offering hybrid power solutions, the Solar Off-Grid range enhances energy-source resilience and provides greater flexibility during power outages. Defy's 70 cm bottom freezer refrigerators come in both Static and Frost-Free models. They incorporate Naturelight and Dual-cooling technology to provide enhanced food preservation capabilities and optimize storage efficiency. Designed with modern kitchens in mind, both models boast a satin metallic finish and internal LED lighting.

Defy has ambitious plans for 2025, aiming to solidify its market leadership by prioritizing sustainable innovations, rolling out new products, and expanding its digital presence. By focusing on energy-efficient solutions and retail transformation, the company reinforces its commitment to making sustainable living accessible to households across South Africa. These strategic initiatives will ensure that Defy continues to lead the way in the home appliances category.

OUR BRANDS

DAWLANCE

Dawlance, a pioneer in Pakistan's home appliance sector, was founded in 1980 and was acquired by Arçelik in 2016. In line with its strategy to become a lifestyle brand offering consumers a complete range of products, Dawlance has expanded its portfolio beyond refrigerators and washing machines to include a wide variety of home appliances. Arçelik's acquisition of Dawlance and the subsequent investment of over EUR 300 million created a powerful synergy by bringing Arçelik's global reach together with Dawlance's deep understanding of the local market. By fostering innovation and driving progress, this partnership has significantly impacted Dawlance's journey. It has led to an improved customer service experience and a reinforced commitment to sustainability. The upshot is that by 2024, Dawlance commanded a significant share of Pakistan's household durables market in terms of both value and volume.

Product reliability, a cornerstone of Dawlance's corporate values, has positioned the brand as a major player in Pakistan's home appliance industry. Dawlance boasts an extensive customer service network comprising 19 service centers, 36 authorized service workshops, and 389 contracted service providers across the country. This comprehensive network is a major contributor to the brand's success.

Dawlance operates three production facilities – two located in Karachi and one in Hyderabad. This footprint is what enabled the company to enlarge the Dawlance product portfolio to include close to 500 items in 2024, almost twice the size of the previous year's lineup. The expansion is a testament to the company's dynamism and is a direct result of its successful growth.



One of Pakistan's leading domestic brands

Dawlance held the top spot in the country's refrigerator and washing machine sales by number of units sold during 2024. Leveraging its vast network of 1,800 dealers across the country, the company is strategically focused on solidifying its market presence through exclusive dealerships, which reached a total of 521 by 2024. Dawlance's strength is evident in its brand awareness, with a "top-of-mind awareness" score of 36% and a "spontaneous awareness" score of 85%, the highest in the industry according to 2024 Brand Health Tracker (BHT) report.

Recognizing the urgent need for solutions to environmental problems, Dawlance has adopted "Progress Today, Protect Tomorrow" as its brand purpose to reflect its commitment. Dawlance's prioritization of sustainability also aligns with Arçelik's global vision. Dawlance's recently launched "Creating Better Habits at

By 2024, Dawlance commanded a significant share of Pakistan's household durables market in terms of both value and volume.

Home" campaign encourages people to adopt positive behavioral choices such as conserving energy and consuming responsibly. The company supports this vision with 360° advertising campaigns strategically executed across multiple platforms. These campaigns use functional and emotional messaging to promote product features while also emphasizing energy-efficiency and sustainable-habits formation. Dawlance maintains a strong presence on e-commerce platforms and achieves outstanding results both on Daraz, one of the largest and most popular online marketplaces in South Asia, and its own website, particularly during 11.11, Pakistan's biggest annual online sales event that takes place on November 11th. The company's multi-channel approach proved highly successful during last year's Daraz 11.11 events, generating excellent results on both the platform and the company's own website.

Omnichannel and retail transformation programs

The company's 18-initiative omnichannel transformation project continued in 2024. Last year's omnichannel transformation program focused primarily on two key areas: improving the customer experience and facilitating the delivery of online orders through dealers.

With the recent addition of new product lines such as Prima and D'Solar to its portfolio, Dawlance is concentrating on high-profile stores to elevate the shopping experience. By creating dedicated spaces for these new product lines in high-profile outlets, Dawlance personalizes the shopping experience and enhances its retail presence with a focus on both innovation and sustainability.

With the launch of six new concept stores that allow consumers to experience products in a home environment, Dawlance is also underscoring its commitment to innovative retail approaches.

New product launches

2024 was a busy year for Dawlance, with the launch of over 60 new products across various categories. Dawlance also introduced two new product lines – Prima and D'Solar – both aimed at addressing diverse consumer needs and enhancing living comfort. Designed for energy-efficiency, durability, and ease of use, the Prima series features ten no frost refrigerators, bottom-loading water coolers, washing machines, and dishwashers equipped with cutting-edge technology. The Prima series embodies Dawlance's dedication to providing innovative solutions that meet the changing needs of modern consumers.

Designed to address energy-efficiency concerns and demands, the D'Solar series provides solar-powered solutions. The D'Solar series consists of two refrigerators and a deep freezer, all designed to run efficiently on direct solar power. These products provide ideal solutions for regions where reliable access to mains electricity may be problematic as well as for anyone who wants to reduce their electric bills. The D'Solar series provides consumers with reliable and affordable appliances that support eco-friendly lifestyles. Like Prima, the D'Solar series is part and parcel of Dawlance's commitment to supplying its customers sustainable energy solutions.

Dawlance is committed to maintaining its leadership in Pakistan's home appliance market. The company will further solidify this position in 2025 by continuing to build on its reputation as an accessible and affordable source of technological innovation.

OUR BRANDS

HITACHI¹

Arçelik Hitachi Home Appliances BV was set up jointly by Hitachi Global Life Solutions (HGLS) on January 28th 2021; Arçelik acquired 60% of the company's shares on July 1st 2024. Arçelik Hitachi Home Appliances is a global lifestyle solutions company born from a strategic partnership between Arçelik and HGLS. This joint venture (JV) handles the production, distribution, and after-sales services of Hitachi-branded home appliances in territories outside Japan. The collaboration, in which Arçelik and HGLS control 60% and 40% stakes respectively, draws on over a century of the two companies' combined experience. This partnership not only strengthens the JV's R&D and supply chain capabilities but also enhances its competitiveness in the face of ever-changing market dynamics.

During 2024, its third year of operation, the JV navigated new challenges and achieved significant progress through its expanding product portfolio, new partnerships, and unwavering commitment to adaptation and growth.

Available in over 65 countries, Hitachi-branded home appliances enhance quality of life for consumers. 2024 saw Arçelik Hitachi further diversify its offerings with the addition of more than 250 new products across different categories. With its focus on sleek, user-centric design, energy-efficiency, and durability, Hitachi continues to offer unique features that resonate with a multi-generational audience, particularly their current Generation X customers and the expanding Millennial demographic.

Sustainability is an integral part of everything that Arçelik Hitachi does. In 2024, Arçelik Hitachi launched a series of strategic and practical initiatives at its factories in Thailand and China aimed at minimizing energy consumption, pollutants, and waste while also reducing its operational carbon footprint. To further expand its contributions to

sustainability, Arçelik Hitachi partnered with leading banks across the Asia-Pacific region to open Green Deposit accounts. These Green Deposit accounts provide funding for small-scale green businesses and projects, enabling Arçelik Hitachi to contribute to lasting positive change towards a more sustainable society.

In 2025, Arçelik Hitachi will continue to strengthen its commitment to sustainable growth by offering a range of exceptional products and building strong partnerships with leading companies in the market, all with the aim of further improving consumers' quality of life.

**Available in over 65 countries,
Hitachi-branded home appliances
enhance quality of life for
consumers.**



¹ Licensee limited to certain jurisdictions.

VOLTASBEKO



Arçelik Voltas synergies

VoltasBeko is a joint venture formed in 2017 between Arçelik and Voltas, India's leading air conditioner brand. This partnership leverages Arçelik's technology and innovation expertise along with Voltas' extensive domestic market knowledge and sales experience.

By combining Arçelik's strengths in R&D, advanced technology, and manufacturing with Voltas' established market position and brand recognition in India, VoltasBeko delivers customer-centric, innovative, and sustainable products of the highest quality at competitive prices. With a diverse product portfolio embracing refrigerators, washing machines, dryers, dishwashers, and microwave ovens, VoltasBeko reaches consumers through a network of 15,000 retail outlets across India. VoltasBeko has been experiencing consistent growth in both value and

volume share, as well as brand recognition, within the Indian market ever since its inception in 2017. VoltasBeko has set its sights on becoming a leading brand in India's home appliance market. To achieve this, the company is focused on accelerating its growth year over year as well as on increasing brand penetration across all regions of the country. VoltasBeko is committed to strengthening its market presence through a robust organization encompassing both traditional and modern sales channels, complemented by its own online sales platform, voltaslounge.com.

A player in the most recognized brands league

VoltasBeko ranks among the top seven most recognized white goods brands in India.

OUR BRANDS

New product launches

VoltasBeko kicked off 2024 with a new launch to bring its entire washing machine range in line with India's new energy labeling legislation. As part of its ongoing product development initiatives, last year VoltasBeko collaborated with a new supplier to manufacture single-door static refrigerators. Expanding its refrigerator offerings, VoltasBeko also introduced a new Side-by-Side (SBS) model with a wardrobe-style design. This new offering is being made available as a semi-knocked-down (SKD) unit for easier transportation and assembly.

In line with its efforts to enlarge its product range, the company launched new fully automatic top-loading washing machines with capacities exceeding 10kg, including models with a built-in water heater.

To capitalize on the Diwali Festival of Lights season and other holidays and observances, VoltasBeko introduced HarvestFresh technology in its refrigerator lineup, making it a central theme in its brand communication efforts.

VoltasBeko has made its foray into the small domestic appliances market, introducing mixers and steam-free irons. With plans for further expansion in this segment, the company is currently conducting trials for additional product lines, including electric kettles and toasters.

VoltasBeko continues to grow at an accelerating pace every year and increases its brand penetration in every corner of India.

Developments in production and exports

VoltasBeko expanded its international presence in 2024, achieving two key milestones. The company began exporting top-loading washing machines to Bangladesh and made its first foray into the Sri Lankan market, extending its reach beyond Nepal, the Maldives, Bangladesh, and Turkey.

VoltasBeko started production of SBS refrigerators in mid-2024, using a new SKD production line to assemble the refrigerators supplied in SKD kits.

In the five years between 2020 and 2024, the company's refrigerator production surpassed 2.8 million units.



SINGER¹



With roots going back to 1905, Singer Bangladesh Ltd is a Bangladesh-headquartered multi-national and the heir to more than a century of successfully doing business in the region. Since the very outset, the name Singer has been synonymous with sewing machines in Bangladesh. In the early 1980s, the company diversified into other product lines and is today one of the country's leading names in consumer electronics and home appliances with a nationwide network of 477 retailers. Acquired by Arçelik in 2019, Singer Bangladesh Ltd continues to expand its domestic manufacturing capabilities and capacities.

New production facility

In January 2023, Singer Bangladesh commenced construction of a state-of-the-art production facility in the Bangladesh Special Economic Zone (BSEZ). Built on a 135,000 m² site with a budget of EUR 78 million, this new facility will significantly expand the company's production capabilities. After a successful trial run in March 2024, mass production of refrigerators commenced in April, with

mass production of televisions, washing machines, and small domestic appliances getting under way in November. Production of air conditioners is scheduled to begin in 2025. The facility, which has been designed to be eligible for LEED Gold certification, will provide employment for 4,000 people. The company intends to source 90% of what it sells from its in-country manufacturing operations.

Singer Bangladesh: a corporate transformation journey

2024 was a pivotal year for Singer Bangladesh. Acquired by Arçelik in 2019, the company has since then been undergoing a corporate transformation in which it is embracing both Koç Holding's and Arçelik's global expertise and standards to optimize its operations and reach its full potential.

Singer opened a new store in Dhaka in early 2024 showcasing a wide selection of products from both Singer and Beko. The store offers a unique "experience" format, encouraging customers to interact with goods. This marks Beko's first entry as a global brand into the market with the shop-in-shop concept.

In 2024, Singer Bangladesh's brand-new, state-of-the-art plant commenced operation. Once it reaches full production capacity, the facility is expected to significantly reduce the country's dependence on imports and to strengthen the country's durable goods industry as a major supply hub.

Singer Bangladesh moved its headquarters to a new, modern workspace last year. This new environment, designed to align with the company's global standards,

¹ Licensee limited to certain jurisdictions.

OUR BRANDS

fosters a dynamic and collaborative atmosphere that encourages creativity and innovation among employees.

Capitalizing on the popularity of Turkish television series in Bangladesh, Singer has appointed the celebrated Turkish actor Burak Özçivit to be its brand ambassador. Known for his roles in popular period dramas, Özçivit's association with Singer has helped boost the brand's credibility and enhance its image across the country.

Singer Bangladesh swept the 2024 Bangladesh Retail Awards, securing five prestigious wins including "Best Retailer of the Year", "Best Electronics Retailer", "Best Retail Campaign", "Best Retail Activation", and "Best Retail Modernization". These awards, handed out by the Bangladesh Brand Forum to recognize organizations that are transforming the country's retail landscape, are a testament to the success of Singer's transformation journey.

Retail transformation

Inspired by Arçelik's award-winning store design in Istanbul, Singer Bangladesh has opened the country's first Singer | Beko experience store in Dhaka. The aim of this Singer Bangladesh strategic initiative is to elevate the customer experience by showcasing product features in an engaging way, thereby increasing customer traffic and driving sales growth and setting a new benchmark for retail excellence in the country. For offering a world-class retail experience to consumers, this initiative garnered Singer the prestigious "Best Retail Modernization" award.

The company plans to expand its retail presence by opening more experience stores in Uttara and Dhaka, with further growth planned for other high-potential commercial locations in the years to come.

Singer Bangladesh's new state-of-the-art production facility has been put into operation.



Online retailing focus

Singer Bangladesh is spearheading the adoption of digital-focused approaches to consumer durables marketing in its home market. This strategy has resulted in a significant increase in sales as of November 2024. Singer's year-long "Uradhura Friday" (Crazy Friday) sales campaign has driven a surge in its online sales revenues. This highly successful initiative has clearly resonated with customers.

New product launches

In response to evolving consumer expectations and market demand, in 2024 Singer made three new additions to its line of "Naz" refrigerators consisting of 225, 257 and 277-liter-capacity models. In line with the company's multi-brand strategy, Singer Bangladesh also introduced Beko-branded products to the country's consumers in 2024.

Last year Singer Bangladesh also launched a new 4.7-liter Air Fryer and the Singer Ember Series cookware range. The small appliance segment, which has high growth potential in the country, is expected to do especially well.

ELEKTRABREGENZ



Elektrabregenz, a long-established Austrian brand, has been the face of innovation and quality in the country's home appliances industry for over 130 years. Known for their modern design, energy-efficiency, and durability, Elektrabregenz products are designed to simplify everyday living and to seamlessly integrate into any lifestyle.

For Elektrabregenz, innovation is always focused on people and its sole purpose is to make their lives simpler and easier. Elektrabregenz supports families as they navigate the challenges of everyday living by supplying them with high-performance appliances for cooking, cleaning, and laundering. Guided by its "The Perfect Fit" philosophy, Elektrabregenz continues to be there for its consumers in every aspect of life.

2023 saw the exciting finale of "Austria's Next Küchenchef", a cooking competition designed to support talented chefs, held at Elektrabregenz's Vienna showroom. While all the contestants impressed the jury with their culinary creativity, the winner ultimately claimed the title of "Austria's Next Top Chef 2024".

FLAVEL



Flavel expanded its presence in discount supermarkets in 2024 with a range of products designed to meet their customers' needs. These included small appliances, vacuum cleaners, and a selection of solo and built-in white goods.

OUR BRANDS

BAUKNECHT



Bauknecht, a well-established German brand with over a century of experience, develops innovative, high-quality appliances. Its Dynamic Intelligence technology offers intuitive use and consistently optimal results, allowing consumers to relax and focus on the things that are important to them in their lives.

Bauknecht's brand positioning was significantly enhanced in 2024 through a combination of impactful communication campaigns and key product launches, including GentlePower washing machines and dryers, new built-in ovens, and DropProtect hoods. Bauknecht increased its brand visibility through a variety of high-profile activities in 2024. These included participating in the MOW international furniture trade fair, sponsoring the unique Women's Health Camp laundromat, partnering with the popular TV cooking show "The Taste," and collaborating with a number of online influencers.

PRIVILEG



Privileg offers a wide selection of superior quality home appliances designed to provide efficient and reliable solutions for everyday household tasks. Believing that chores are not gender or age-specific, Privileg makes it easy for everyone in the household to do their bit by incorporating user-friendly features like Push&Go and Turn&Go technologies into its offerings.

Recognizing that every family has its own unique needs and expectations, Privileg's inclusive designs aim to encourage collaboration in household tasks by promoting the equal sharing of responsibilities. Privileg has been a part of German homes for over 60 years, providing reliable and user-friendly appliances. The brand aims to foster more positive home environments by making household tasks easier for everyone.

ALTUS

Altus offers a wide range of products in Turkey that include white goods, televisions, built-ins, air conditioners, and small home appliances. By utilizing traditional retail, organized retail, discount store, and online channels, Altus continues to increase its presence and reach more consumers day by day.

2024 product and performance highlights

Last year Altus boosted its online performance by adding new models in the small home appliances product group that were specifically targeted for the online channel.

Altus enhanced brand awareness for its small home appliances through a mix of HandyGo communication campaigns and online partnerships, including influencer marketing and sponsored content.

The laundry dryer category also experienced growth.

Altus's goals for 2025 include maintaining its current standing in the white goods market while focusing on growth in the small appliance and vacuum cleaner segments.

In the laundry dryer category, where there is seen to be strong growth potential, Altus plans to maintain its competitive edge and to grow its market share.

Altus aims to further reinforce its brand awareness among consumers by continuing its communication campaigns for small home appliances and vacuum cleaners.

IGNIS

Ignis, a well-established brand with over 70 years of experience in the Italian home appliance market, is known for its practical and efficient solutions. The company offers accessible products that address everyday household needs. Ignis's reputation is built on the enduring quality and performance of what it makes and sells. Since 2018, Ignis has been operating under an exclusive licensing agreement with Unieuro, Italy's leading electronics and home appliance retailer.

POLAR

A trusted name in home appliances in Poland, Polar is known for the durability of its refrigerators, freezers, ovens, and washing machines. The brand originally gained popularity by offering accessible, functional products that became staples in Polish homes. Since then, Polar has burnished the value of its brand by delivering both affordability and reliability.

SECTORAL & COMPANY REVIEW

WHITE GOODS

In 2024, the global white goods market grew by about 1.4% and generated a turnover worth approximately USD 123 billion.

In 2024, the global white goods market grew by about 1.4% and generated a turnover worth approximately USD 123 billion.

The global white goods market overcame headwinds from the Russia-Ukraine conflict's energy crisis and worldwide inflationary pressures to post growth of approximately 1.4% in 2024, with turnover reaching USD 123 billion in value. Western Europe's market expanded by 2.1%; Belgium led the charge, growing by 6.4%, followed by Austria (5.3%), Spain (5.0%), Britain (4.4%), and Italy



(4.0%). Germany posted more modest growth of 1.4%, while the Netherlands eked out a 0.7% gain. The outlier was France, which contracted by 0.3%.

Excluding Russia and Poland, Eastern European markets raced ahead by some 9.9%. Romania was in the lead with growth nearing 12.7%. Even Ukraine's white goods market, despite the ravages of war, managed to register growth of 9.7% last year.

The South African white goods market, a key region for Arçelik outside Europe, grew by 11.5% year-on-year.

In Turkey, retail sales data for January-December 2024 show that the white goods sector (six main product groups) grew by 9.6% in unit sales and by 57.2% in total turnover. Leading this growth were laundry dryers, unit sales of which were up by 64.3% year-on-year.

According to 12-month data published by the Turkish White Goods Manufacturers Association (TÜRKBESD), Turkey's white goods sales (domestic and export, across the six main product categories) held steady at 32 million units in 2024. This stability is the result, however, of a 7% rise in domestic sales offsetting a 3% decline in exports. On the production side, 2024 witnessed a 2% year-on-year decline in output volumes for all six key product groups.

TÜRKBESD data also reveal that domestic sales of laundry dryers burgeoned by an impressive 93% year-on-year in 2024.

An examination of retail white goods sales in Turkey indicates that growth is being nourished by manufacturers producing for the home market in the face of weak global demand. Against a backdrop of inflationary pressures



and related countermeasures, the sector still managed to achieve this growth, with increased penetration by certain product categories playing a key role.

Data from the Electrical and Electronics Exporters' Association (TET) (www.tet.org.tr/en/2024) shows a 3% increase in Turkey's electrical and electronics exports for January-December 2024. Export revenues reached a total of USD 16.99 billion, outpacing the same period in the previous year. White goods exports saw a 4% contraction during the same period and weighed in at USD 4,039 million. This decline marks a reversal from the same period in 2023. Further analysis of export figures reveals an overall 12-month decline across the six main white goods categories but this varied from group to group. Refrigerators and freezers saw a drop of 6%, washing machines 15%, and freezers 4% for example, whereas oven and cooktop exports saw a 5% increase, dishwashers 7%, and dryers 28%.

SECTORAL & COMPANY REVIEW

WHITE GOODS



Arçelik defended its strong position in international markets last year by continuing to adhere to a marketing strategy focused on sustainable, profitable growth.

Developments at Arçelik

Arçelik defended its strong position in international markets last year by continuing to adhere to a marketing strategy focused on sustainable, profitable growth.

Arçelik held onto its number one position in Turkey. Beko rose to the top spot in Romania, overtaking its sister brand Arctic. Defy continued its reign as the leading brand in South Africa. Globally, Beko, a top-three European home appliances brand, is also the number one brand in the UK white goods market.

In Egypt, where our company has had a marketing and sales presence under the Beko brand since 2012, our new white goods factory officially opened in September 2024, about two years after ground was broken. With 70,000 m² under roof and a total area of 114,000 m², the factory is poised to become a key regional production center for our company. The goal is for more than 60% of its production to be exported, mainly to the Middle East and Africa. Phase one of production at the factory will include refrigerators, ovens, and dishwashers; however there are plans to add other home appliances to the production lineup as we go forward as well. An on-site R&D center features laboratories conforming to international standards, innovation spaces, and even a cooking and experience center. Built at an investment cost of about USD 110 million, the plant commenced mass production in May 2024.

January 2023 marked the start of construction for Singer Bangladesh's advanced technology production facility on 135,000 m² of grounds in the Bangladesh Special Economic Zone (BSEZ) at an investment cost of USD 78 million. After a successful pilot production phase in March 2024, the company launched mass production of

refrigerators in April 2024. Mass production on other lines – televisions, washing machines, and small home appliances – began in November 2024.

Although the plant is fully equipped and ready to make air conditioners, their actual production will not begin until 2025 in order to better align with seasonal demand. The Singer Bangladesh plant was designed to be awarded LEED Gold sustainability certification. It will be providing jobs for 4,000 people.

The merger of Arçelik and Whirlpool's European subsidiaries under the joint venture Beko Europe BV was finalized as of April 1st 2024. Under the merger agreement, shareholding interests in Arçelik's and Whirlpool's European subsidiaries were turned over to Netherlands-based-based Beko Europe BV, a new entity in which Beko and Whirlpool control 75% and 25% stakes respectively.

With the fulfillment of the conditions stipulated in agreements related to Whirlpool's MENA operations, Beko BV acquired 100% of the shares in two Whirlpool subsidiaries: Whirlpool MEEA DMCC (Middle East and North Africa operations transferred to Beko Gulf DMCC) and Whirlpool Maroc Sarl (Morocco and United Arab Emirates operations transferred to Beko Maghreb Sarl) as of April 1st 2024. The anticipated cost of this acquisition had been penciled in at EUR 20 million, with the understanding that the figure would later be reviewed and adjusted based on both subsidiaries' net debt and net working capital positions as of the closing balance-sheet date. As per that understanding, the acquisition was finalized at EUR 38 million.

Founded in 2021, Arçelik Hitachi Home Appliances focused on accelerated product development, digital transformation, and innovation in 2024. The company's



adoption of SAP HANA infrastructure for its digital transformation has already resulted in increased operational efficiency and optimized data-driven decision-making. In line with its mission to lead Arçelik Hitachi Home Appliances' global presence in the APAC region, the company has launched an R&D Center and Robot Automation Application Laboratory to develop innovative solutions and strengthen its technology leadership in the region. This center will leverage advanced technologies to create market-driven solutions and boost competitiveness. Thanks to a significantly enhanced technology platform supporting its diverse product portfolio, the company introduced over 600 new products in 2023 and 2024, expanding its reach to consumers in over 65 countries.

Building on its leading position in the Turkish white goods market in terms of both volume and revenue, Arçelik focused on innovative designs and technologies in 2024, showcasing products that combine fresh aesthetics with cutting-edge features and technologies.

SECTORAL & COMPANY REVIEW

TELEVISIONS



The global TV market experienced modest growth in 2024, with shipments edging up just 0.7% year-on-year to reach approximately 202 million units. With an average selling price of USD 585, this limited growth resulted in a global TV revenue increase of only 0.6%, reaching USD 118 billion.

After experiencing a 4% contraction in 2023, the European TV market recovered somewhat in 2024, achieving a 1.8% rate of growth and reaching 46 million units sold.

The TV market in Turkey shrank by 8% in terms of units. A notable shift in consumer preference is driving a growing demand for larger TVs in Turkey, particularly those with screens 60 inches and above. This suggests that consumers are prioritizing home entertainment experiences that are more immersive and more impactful.

Arçelik continues to lead the Turkish market in terms of unit sales according to published data. Our company offers consumers a wide range of TVs, including a strong selection of large-screen models and advanced QLED and OLED options that further enhance our market position. 2024 saw a rise in demand for higher-end TVs, with consumers showing a preference for larger screens and advanced technologies like OLED. This shift towards premium models is expected to continue in 2025.

Pakistan's television market reached 630,000 units sold in 2024 and is poised for significant growth, with a 15% increase anticipated in 2025. This expansion is fueled by rising demand for QLED TVs, which are projected to capture a 10% market share.

2024 marked a significant milestone for our company with the establishment of our own OBM (OLED Basic Module) production infrastructure.

Bangladesh's television market, which reached 1.1 million units sold in 2024, is undergoing a shift in consumer demand. While the overall market is expected to grow by 8% in 2025, the popularity of 24/32-inch non-smart TVs is declining, with consumers increasingly favoring 32/43-inch smart TVs.

Although Egypt's TV market experienced a 24% drop in volume, a growing preference for premium models with advanced features has fueled an 18% growth in revenues. This indicates a shift in consumer demand towards higher-quality televisions.

Developments at Arçelik

2024 marked a significant milestone for our company with the establishment of our own OBM (OLED Basic Module) production infrastructure. This infrastructure allows us to design and produce domestically sourced OLED TVs. New 55-inch and 65-inch OLED TV models introduced in 2024 have secured their place in the market with their exceptional black-and-white balance and 120Hz refresh rate. Designed for optimal viewing comfort and ease of use, with a 30-degree swiveling central metal stand, built-in Google TV platform, and the latest technological improvements, our OLED TVs rank among the best premium brands. Customers can also choose an optional metal side stand. With outstanding picture quality and innovative features, this product is designed to deliver a superior home cinema experience.

Last year we introduced our line of competitively priced 60Hz UHD QLED TV models in all sizes from 43 to 75 inches.



Our new HD and FHD TVs, now available in 32, 40, and 43-inch sizes, feature the next-gen Google TV platform. With personalized content suggestions and multi-user programming profiles, this platform offers a customized and user-friendly experience that is rapidly gaining popularity. The introduction of these models also provided an opportunity to cut manufacturing costs, which makes them even more price-competitive. To capitalize on the growing demand for larger screens, we have launched 85-inch UHD and 98-inch QLED TV models in Turkey for the first time.

With a close eye on market trends in all territories in which it is active in the TV category, Arçelik will continue to innovate and expand its offerings, bringing consumers the latest technologies and a wide array of screen sizes for the ultimate home entertainment experience.

SECTORAL & COMPANY REVIEW

AUDIO SYSTEMS



Grundig has achieved successful results particularly in Germany and Turkey.

2024 was a year of stagnant growth for the audio systems market worldwide. According to Euromonitor data, this category is projected to grow at an average rate of just 0.3% between 2024 and 2029. This slow performance is attributed to the impact of tight monetary policies being implemented around the world.

While traditional audio systems have faced a decline due to the impact of high interest rates on consumer spending, demand for audio solutions like headphones, Bluetooth speakers, and soundbars remains robust. Although the market for these products is contracting in developed economies worldwide, it is experiencing growth in emerging markets such as Central America (especially Mexico), India, Russia, and ASEAN countries.

Developments at Arçelik

2024 was a year of continued transformation for Grundig's audio systems business. The company's investments in Bluetooth speakers, party speakers, and soundbars in recent years have proven to be fruitful and are generating positive results in markets like Germany, Turkey, and Russia. Launched in 2021, our Bluetooth range has been updated with second-generation products featuring a refreshed design language and innovative user features. One of the most important of these new products is the Xplore portable speaker. The Xplore offers a unique combination of features, including superior sound quality, a carabiner clip, integrated flashlight, and an emergency SOS function to provide users with exceptional value and versatility. Grundig introduced its products to the European market in 2024, with launches in key countries including Germany, France, Spain, Russia, and Turkey.

PAYMENT SYSTEMS

New regulations introduced in 2023 and 2024 by Turkey's tax authorities, aimed at curbing tax evasion and revenue losses, brought about substantial changes in the country's market for ministry-certified payment systems.

2024 saw the completion of a ministry-mandated changeover to next-generation fuel-pump cash registers at all petrol stations, a process that got underway in 2022. Successful collaboration between Beko and Token resulted in the speedy rollout of the ministry-compliant Beko 1000 TR fuel pump cash register. This device is now being used in half of Turkey's petrol stations.

A finance ministry communique published on December 30th 2023 required all retail businesses to change over to next-generation point-of-sale (POS) cash registers with at least one ministry-certified banking application installed by July 2024. In line with this, Beko partnered with Token to launch its X30 TR model POS cash register. As Turkey's first fully touch-screen Android POS cash register, the Beko X30 TR is designed with a user-friendly interface for quick and efficient transaction processing. A new ministry regulation that went into effect the same year requires the complete phase-out of bank-provided EFT-POS devices by January 10th 2025 and mandates the use of next-generation POS cash registers in their place.

Ödero Virtual POS, a digital payment solution through the collaboration of Arçelik and Token, has begun to become widespread in dealers and services.



Driven by the impact of these new regulations, sales of ministry-approved payment devices developed in partnership with Token increased by over 100% year-on-year.

Developments at Arçelik

Token's digital payment solution Ödero provides the payment infrastructure for a platform created to facilitate spare parts sales among Arçelik and Beko authorized service providers. Arçelik offers a "Dealer Virtual POS" solution that enables customers to make remote payments. This solution automatically transfers payments from dealers' sales to Arçelik's accounts, which helps better manage the company's exposure to dealer risk. Similarly the "Supplier Payment Platform" service enables Arçelik Turkey to make payments to its suppliers in installments or in lump sums using a commercial credit card, and to benefit from extended-payment terms.

SECTORAL & COMPANY REVIEW

SMALL HOME APPLIANCES



The global small domestic appliances sector experienced 0.9% year-on-year growth in 2024, but this growth was uneven across different regions. While Western Europe mirrored global market growth, the North American market remained flat, seeing no growth over 2023. Although developed countries experienced varied results, emerging markets showed strong growth. The Middle East and Africa exceeded the global average with 1.9% growth; Latin America also saw a significant 3.6% increase. Growth in the APAC region was only 0.5% in 2024, primarily due to a slowdown in China's domestic market. The small home appliances market is expected to grow at an average annual rate of 1.7% by 2029, but this is contingent on the anticipated easing of monetary tightening policies in developed economies from 2025 onwards.

In 2024, Turkey's small domestic appliances market experienced significant growth, with retail sales data showing a 6.3% increase in units and a 57.3% rise in revenues compared to 2023. Within this growth, the

espresso category saw the most substantial expansion, with unit sales increasing by 47%.

Although several categories experienced robust growth, led by vacuum cleaners with a 14.3% increase in unit sales, the air fryer category saw a contraction of 47.3%. Other categories showing positive growth included irons (6.1%), food preparation appliances (11.7%), and beverage preparation appliances (12.7%).

Leading the hot beverages category in Turkey were espresso machines, which now command the highest revenue share and surpass both Turkish coffeemakers and tea makers in terms of sales turnover.

Food processors and blenders were the key drivers of growth in the food preparation category in 2024, contributing to an overall increase of 11.7% in unit sales and 77.9% in revenues compared to 2023. This trend is expected to remain on course in 2025 as well. The strongest growth in the beverage preparation category in 2025 is expected to come from espresso machines once again.

Cordless stick vacuum cleaners, garment steamers, and hair straighteners are all expected to be the key growth drivers in the home and personal care category.

Developments at Arçelik

The small domestic appliances category continues to be a strategically important contributor to our company's sales growth. Thanks to the introduction of innovative new products last year, this category not only significantly increased its share of our total sales in Turkey but also expanded its presence in other national markets, where in some cases it registered double-digit year-on-year growth.

The small domestic appliances category registered double-digit year-on-year growth.

The category continues to grow strongly in key markets like Germany, Poland, the UK, France, Romania, and Russia; it is also doing well in South Africa and Egypt. Hitachi remains strong in the small domestic appliances market with vacuum cleaners and cooking appliances, which are proving particularly successful. The brand is expanding its presence in the Middle East and Asia, notably achieving a top-three ranking in the vacuum cleaner category in Thailand.

A new range of air fryers was developed in order to tap into recently identified potential in Russia's kitchen appliances market. These units are set to launch under the Beko and Grundig brands in 2025. Elsewhere, the South African region maintained its strong growth trajectory in 2024, with the small cooking appliances category achieving 48.5% year-on-year growth. This success was fueled as much by proactive responses to market demands as by a revamping of the product range; both processes got underway in 2023.

Data published in Turkey confirms that we remained the number one brand in the Turkish coffeemaker category in 2024. New initiatives in this category in Turkey and Egypt, where the demand for these appliances is the strongest, nourished significant year-on-year growth on the order of 26% in sales turnover.

Supported by the successful launch of new offerings in 2023, the small cooking appliances category in Egypt experienced explosive growth in 2024, with sales turnover approximately trebling year-on-year.

Demonstrating continued strength and building on its track record of robust performance, Turkey's small home appliances market expanded by a EUR-denominated 23.6% rate of growth in 2024. This growth was fueled by the



launch of innovative products coupled with a multi-brand strategy that resonated with users.

New products that were added to the espresso machine category in 2024 were successfully launched in Turkey, Russia, Germany, and Poland. We also initiated sales of espresso machines in Ukraine and Denmark, marking their first entry into these new markets. These strategic initiatives in the espresso machine category generated nearly three-fold year-on-year growth.

SECTORAL & COMPANY REVIEW

AIR CONDITIONING

In Turkey, air conditioning products experienced 21.1% growth in unit sales in 2024 compared to 2023. However, this growth was coupled with a shift in demand, with 7K BTU units witnessing a decline and 15K BTU units becoming more popular.

Developments at Arçelik

Our company continued its market leadership in the air conditioning category in 2024, securing the top spot in terms of both revenues and unit sales, as it did in 2023.

With final testing completed, our ProSmartPlus products along with our Smart air conditioner project are set to launch in January 2025. These new offerings incorporate features designed to enhance user comfort and to provide a more enjoyable air conditioning experience.

In October 2024, a special add-on warranty campaign for air conditioners sold by dealers in Turkey was launched with the addition of a three-year warranty period beginning on June 1st 2025.

Following the launch of our more efficient and eco-friendly R32 heat pump air conditioners in Europe in 2023, we continued our efforts to expand their market penetration in 2024.

Our company continued its market leadership in the air conditioning category in 2024, securing the top spot in terms of both revenues and unit sales, as it did in 2023.



DIGITAL DISPLAYS AND SOFTWARE

LED screen solutions emerged as the preferred choice for digital displays in 2024; this demand is projected to continue its upward trajectory. The versatility of LED screens suitable for both indoor and outdoor use is a key factor driving this trend.

Developments at Arçelik

The company provides tailored solutions with high technology and flawless display quality to meet diverse needs in the accommodation, retail, and education sectors. Its offerings include industrial displays, video walls, LED screens, content management software, and Android Hotel TV/IPTV software solutions.

Designed with the specific needs of the education sector in mind, the company's interactive smart board solutions have proven popular in both public and private schools, and are approved for use in Ministry of National Education projects in Turkey.

The company's professional display product range offers a variety of solutions, including video wall monitors, LED screens and LED poster screens, and Android UHD information monitors. Ranging in size from 10.1 to 98 inches, these displays offer high product and image quality, powerful performance, and the flexibility of 16/7 or 24/7 operation, making them a preferred choice for a wide range of applications.

The company provides tailored solutions with high technology and flawless display quality to meet diverse needs.



While expanding its range of industrial displays and smart boards with new versions in 2024, Arçelik also supplied these products to the State Materials Office (Turkey's government procurements agency) so as to ensure their availability to public agencies and organizations that need them. Arçelik provides a seamless end-to-end experience for its industrial display customers by offering integration with a wide range of content management software, including its own suite of powerful solutions: Arsigna, Arsense, Arguest, and Armeetroom, all developed in-house by Arçelik's own engineers.

SECTORAL & COMPANY REVIEW

MOBILE PHONES, TABLETS AND LAPTOPS

While unit sales in the mobile phone, tablet, and laptop category remained relatively flat in 2024 compared to the previous year, revenues showed a significant increase of approximately 55%. This contrasts with 2023, where the category experienced robust growth of 6.2% in terms of units sold and a remarkable 94% rise in turnover. Despite the category's overall strength, with leading brands in our country driving both unit and revenue growth, a production issue emerged in the last quarter that affected mainly high-end products. This disruption led to reduced stock availability, which in turn negatively impacted growth. The mobile phone sector experienced increased activity following the implementation of a tax break and rebate in late 2023. The reduction applies only to domestically manufactured or assembled entry-level and mid-range phones costing less than TRY 9,500 that are purchased by qualifying students. While the lower price initially raised hopes of increased domestic production by some foreign brands in 2024, that did not happen owing to upward pressure on prices that ultimately discouraged such investment.

Turkey's mobile phone market experienced conflicting trends in 2024: unit sales remained flat but revenues, driven by higher unit prices, surged by approximately 65%. In real terms, 2024's 12-month growth figures fell short of those reported in 2023, which necessarily used 2022 as the base year for comparison. Despite stable unit sales, traditional (bricks & mortar) channels experienced a minor setback in 2024, with revenue declining by approximately 0.5% compared to the previous year, indicating a slight loss of market share. Even with the overall contraction, our company successfully increased its market share within the traditional channel and strengthened its position. Although



exchange rate movements, particularly in the second half of the year, exerted upward pressure on production costs, their impact was mitigated by strategic price adjustments.

Despite a decline in laptop sales, the overall tablet and laptop market in Turkey grew compared to 2023. This was almost entirely due to the strong performance of the tablet category.

The laptop category experienced a decline of approximately 11% in both units and revenue in 2024. The tablet category in Turkey by contrast saw strong growth in 2024, with unit sales increasing by about 27% and revenue surging by about 35%.

Benefiting from the strong momentum gained in 2023, the gaming computer category continued to be the computer market's standout performer in 2024. Even with a significant decline in the overall market, the gaming computer category achieved 2.5% growth in unit terms compared to 2023 and accounted for 37% of the entire laptop category. The gaming category is poised to remain a key focus for all major computer brands in 2025, with significant investments in communication and marketing anticipated in the wake of product and advertising investments that were made in 2024.

Developments at Arçelik

Arçelik's goal is to deliver the most innovative and exceptional customer experience through both traditional stores and online shopping channels across every sector in which it is active.

In the domestic market, the Company achieved a 3.1% and 48% increase in unit and turnover in the mobile phone category, respectively. growth rates in the tablet category weighed in at 75% and 158%. In the laptop category however, units sales were down by 30% and turnover fell by 17%.

Powered by its "Imagine, experience, choose" vision, Arçelik offers a wide range of tech products made by some of the world's most popular brands. Capable of appealing to young and old alike, these products include mobile phones, wearables, tablets and computers, electric scooters, mobile accessories, and game consoles. Consumers can choose to shop online at arcelik.com.tr with the help of online specialists or at Arçelik stores with the help of in-store technology consultants.



Arçelik's 2024 strategy of employing dedicated technology consultants in over 70 authorized dealers resonated with young shoppers. Building on this success, the company plans to continue this personalized approach in 2025.

In 2024, growth in terms of units was 3.1% in mobile phones and 75% in tablets.

SECTORAL & COMPANY REVIEW

ARÇELİK BY WAT: SUSTAINABLE MOBILITY WITH INNOVATIVE ELECTRIC VEHICLE CHARGING SOLUTIONS



The company continued to invest in electric vehicle charging products in 2024, with the goal of leading the shift towards sustainable mobility. By offering smart, user-friendly, and energy-efficient charging solutions that leverage the latest technological innovations, Arçelik aims to support environmental sustainability and optimize the customer experience worldwide. The all-electric passenger vehicle market in Turkey experienced remarkable growth of approximately 140% year-on-year, reaching a total of 156,000 vehicles on the road by November 2024. Growth in this market is expected to remain robust in the years ahead as well. Leveraging access to an extensive network of authorized dealers and service centers across Turkey, our company continues to expand the reach of its electric vehicle charging products. Committed to promoting the use of electric vehicles, our company offers a range of services, including sales, free on-site assessments, and installation, along with solutions for renewable energy integration to reduce environmental impact. Designed with the customer experience in mind, the smart, energy-efficient, and user-friendly chargers developed under the “Arçelik by Wat” brand continued to contribute to a more sustainable future in 2024.

The company leverages access to an extensive network of authorized dealers and service centers across Turkey.

Beko

The company is committed to maintaining its strong position in the Turkish market with the Arçelik brand while simultaneously leveraging the Beko brand to enhance its global reach and deliver exceptional service to customers worldwide.

PRODUCTION OPERATIONS

Employing in-house developed technologies and operating in 45 production facilities in 13 countries, the company manufactures refrigerators, washing machines, dishwashers, cookers, small home appliances, and consumer electronics, and supplies them to consumers around the world.

While 59% of the company's white goods, TV, air conditioner, and tea and coffeemaker manufacturing operations are based in Turkey, with the remaining 41% being carried out in other countries.

The company adds to its manufacturing strengths both through direct investment and by means of company acquisitions. Production facilities were established in Russia, Thailand, and Romania as a result of the investments made in these geographies during the 2000s. The company's production organization has evolved into a global production

line through the acquisition of Arçelik Hitachi Partnership in Thailand and China, IHP in Russia, Defy in South Africa, Dawlance in Pakistan, Voltas in India, and Singer in Bangladesh.

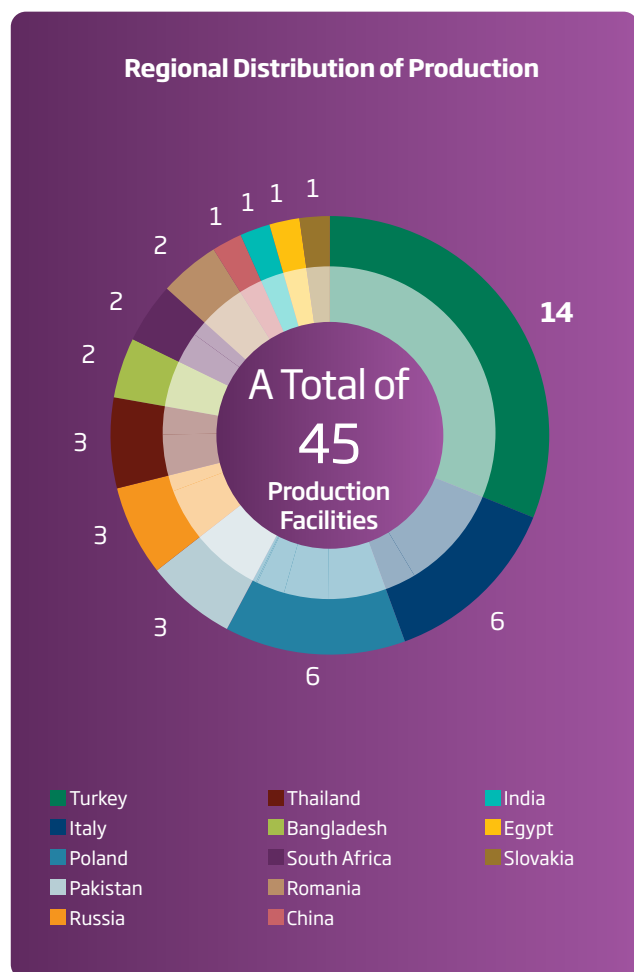
Singer Bangladesh's other facilities became operational in April 2024.

Last year at our Egyptian plant, the cooker factory was commissioned on May 24th, trial production at the refrigerator factory got underway on July 4th, and the plant's SKD investment reached its mass production phase as of August 1st.

In 2024, there was no let-up in the company's efforts to expand its production resources by undertaking investments in line with its growth strategy.

	Refrigerator	Washing Machine	Dishwasher	Dryer	Cooking Devices	Air Conditioner	Solar Panel	TV	Small Home Appliances
Turkey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Romania	✓	✓							
South Africa	✓	✓		✓	✓				
Pakistan	✓	✓			✓	✓		✓	
Russia	✓	✓							
Thailand	✓	✓							✓
Bangladesh	✓	✓			✓	✓		✓	✓
India	✓	✓							
China		✓							
Poland	✓	✓	✓	✓	✓				
Slovakia		✓							
Italy	✓	✓			✓				
Egypt	✓		✓		✓				

Our company produces a range of appliances, including white goods, televisions, air conditioners, and tea and coffeemakers, with 59% of these operations taking place in Turkey.



MARKETING GROWTH AND TRANSFORMATION

The contributions made to the realization of our brand objectives and global strategies were further strengthened last year by media investments, agile project management, and One Marketing Academy programs. Our “Less, but Better, More Effective” approach, which defines our marketing vision and core marketing principles, remained central to our marketing strategy in 2024. We continued to take significant steps to enhance efficiency and impact across key areas of our marketing.

We successfully achieved our target of channeling at least 80% of all marketing investments into end-user and customer-visibility enhancement. The marketing budget was managed with tight control to minimize divergence while centralization of various marketing activities increased their efficiency.

With media efficiency becoming increasingly crucial, we intensified our focus on effectively managing media investments in 2024. This included further development of the Global Media Playbook, enhancements to our use of “competitive analysis data” and “marketing modeling studies,” as well as more in-depth global media agency analyses and competitive reviews. These analyses showed the strong correlation between media investments and sales performance, proving the value of efficient media budget management for commercial success.

Agile transformation also remained a crucial priority for our marketing teams, ensuring that we can effectively realize our vision goals and adapt swiftly to evolving global needs. The marketing department remains at the forefront of driving this cultural transformation across the organization. In 2024:

Seven different agile projects were executed, involving more than 60 marketing team members from 19 different countries.

“Program Avocado,” an agile marketing initiative, continues to drive global campaign and content management operations. A key achievement has been the deployment of a digital content management module across all markets served by our global brands. In the 13 countries where the media module is in active use, the company is benefiting from the full potential and efficiency of its digitalization strategy.

Besides Program Avocado, there are six other agile projects that are geared toward producing outcomes that will deliver faster commercial returns, improve our competitive standing, and effectively integrate local market insights. These projects have already been instrumental in creating opportunities for in-store communication, large-scale commercial partnerships, and sector-wide improvements.

A diverse team representing various cultural backgrounds and professional competencies was assembled through the active and efficient deployment of Talent Switch, a program being carried out in collaboration with HR teams. Designed to support its global reach and vision, the company’s lean team structure has facilitated collaboration, resulting in shared success, increased speed, and greater creativity.



Eight different agile projects were executed, involving 60 marketing team members from 19 different countries.

“Agile Project” training was provided to various disciplines in the marketing department, which facilitated cultural transformation.

The goal of allocating a minimum of 80% of all marketing investments to focus on “End User, Customer Visibility” has been successfully achieved.

Over 13 global marketing development programs have been designed within the scope of One Marketing Academy.

The One Marketing Academy continues to play a vital role in developing the skills of our nearly 800 marketing professionals globally. Its programs are designed to equip employees with the competencies they need now and in the future, with the aim of making marketing a global driver of transformation and fostering greater synergy among teams. During 2024, specialized certified training programs were conducted for product and brand management, comprehensive training was provided to the data team in collaboration with Koç University, and

AI-competency programs were organized for all marketing teams. Our company likewise provides access to globally recognized certification programs through partnerships with leading international organizations. A three-month program in AI was also initiated for the industrial design team. Designed to provide comprehensive development across all facets of marketing and support the holistic growth of every marketing team, these programs reinforce the company's leading position in driving change and transformation across the industry.

INNOVATIVE PRODUCTS INTRODUCED IN 2024

OVEN



DeepBlack built-in ovens

With its sleek black glass and minimalist handles, the DeepBlack series embodies modern design while advanced steam cooking and cutting-edge technology deliver a truly sophisticated and functional cooking experience.

Beyond Combi Steam Oven equipped with Sous-Vide and Humidity Sensor technology

The Beyond Combi Steam Oven, featuring 100% steam cooking and a humidity sensor, offers a versatile cooking experience by blending steam and conventional methods. The oven has been introduced in Europe under the Beko brand.



HOODS



New 3 Glass Inclined Hood

A new 3 glass inclined hood range created to meet diverse kitchen design and layout requirements has been added to our product lineup.

HOBS

Pars induction cooktops

The larger and more powerful heating zones of the Pars series of induction cooktops, which will be replacing our existing mid-range induction cooktop models, reduce cooking time and effort by simultaneously accommodating up to four large pans. The left heating zones can also be combined to function as a single, extra-large zone, ideal for preparing family-sized meals in large-capacity pans. Extra slim 43 mm design not only creates a sleek appearance, but also optimizes usable drawer space. Designed with the mid-range consumer in mind, the Pars series also features advanced sensor compatibility and a suite of intelligent functions. Pars induction hobs started to sale in Europe as of end-2024.



Dishwasher-safe hob grates

The removable pan supports that are supplied with upper-segment gas hobs are designed to be dishwasher-safe so as to eliminate the burdensome chore of having to wash them by hand. The use of dishwasher-safe hob pan supports helps consumers reduce their energy and water bills while also continuing to support environmental sustainability by reducing energy and water consumption.

Dishwasher-safe removable hob pan supports are supplied along with globally marketed high-end products. Beside impacting favorably on brand perception, they boost sales of high-end gas hobs while also enhancing customer satisfaction. Dishwasher-safe square cast-iron single-burner hob pan supports were introduced in our line of gas hobs in 2024. 2025 will see the introduction and expansion of round continuous-cast single-burner hob pan supports in our line of highend gas hobs.

INNOVATIVE PRODUCTS INTRODUCED IN 2024

DISHWASHER



Heat pump dishwasher

By integrating heat pump technology into the dishwasher's base, we have produced a new model that surpasses A-rated energy-efficiency by 20%. Along with its impressive energy-efficiency, this dishwasher uses only 9.9 liters of water per cycle and operates at a whisper-quiet 43dBA, making it an exceptionally eco-friendly and convenient choice. This model also boasts a 15-place setting capacity thanks to the addition of a third rack. It likewise incorporates an innovative automatic door opening feature. By automatically opening the door slightly during the drying cycle, it achieves more effective drying while also saving energy. This dishwasher additionally features a DeepClean arm that provides a specialized washing zone for both bottles (up to three) and pots and pans. The DeepClean arm and its accompanying accessories transform a quarter of the lower rack into a dedicated space for focused cleaning. This targeted water pressure ensures exceptional washing results for bottles, jars, pitchers, and oil cruets, as well as pots and pans.

AIR CONDITIONERS

Pro Smart Plus

New capabilities have been added to the "Voice", "Follow Me", and "SmartEco" functions of our Pro Smart Plus line of air conditioners. When the "Voice" function is activated, users receive audio feedback according to the buttons they press. This feature enhances usability for everyone, but especially for the elderly or disabled. When the "Follow Me" function is activated, a built-in motion detector enhances personalized comfort by sensing the user's location and directing airflow away from them. When the "SmartEco" function is activated, the motion detector gradually shifts the air conditioner into economy mode if no one is in the room. After one hour, the unit will automatically shut off to conserve electricity. This feature helps reduce electric bills and the unit's environmental impact.



DUAL-DRUM WASHER-DRYER COMBOS

Space-saving solutions

In line with market developments in washing machines and dryers, a product combining the abilities of both in a single appliance has been developed. Launched in China, this dual-drum unit features a 5kg washing capacity in the upper drum and a 10/7kg washing and drying capacity in the lower drum, effectively reducing the overall footprint by half.



Color display panels

User interface and product design-focused work is continuing across all our brands. In China, Beko has introduced color display panels in its 10kg and 12kg washing machines, as well as its 10/7kg and 12/8kg washer-dryer combos. This addition particularly enhances product value and quality perception among upper mid-segment consumers.

High-capacity top-loading washing machines

More and more manufacturers are producing high-capacity top-loading washing machine models. Bangladesh, Pakistan, and Egypt will be the first markets to receive our new 80-liter and 105-liter top-loading washing machines equipped with DDM motors. This new technology not only reduces energy consumption, but also helps us move closer to realization of our sustainability targets.



INNOVATIVE PRODUCTS INTRODUCED IN 2024

HOMEWHIZ



Expanded reach

Arçelik's IoT platform HomeWhiz app continues to expand its reach with the inclusion of newly supported countries and languages. Now available in 74 countries with localized versions downloadable from the Apple App Store and the Google Play Store, another 20 languages have been added to HomeWhiz.

Home Energy Management Systems

Home Energy Management Systems are intended to reduce energy costs, promote environmental sustainability, and raise public awareness about responsible energy use. The Home Energy Management Systems project focused on making it possible for users to keep track of how much water and electricity is being used by appliances like dishwashers, refrigerators, washing machines, ovens, dryers, and air-conditioners through the HomeWhiz app. Our objective is to maximize energy-efficiency by making intelligent, user-specific recommendations. We are currently developing gamification methods to further incentivize users to conserve energy.

With the introduction of an AI-powered OptiCool algorithm in our refrigerators, savings of up to 20% can be achieved compared to energy consumption when the OptiCool mode is off in connected devices.



Personalized washing and drying

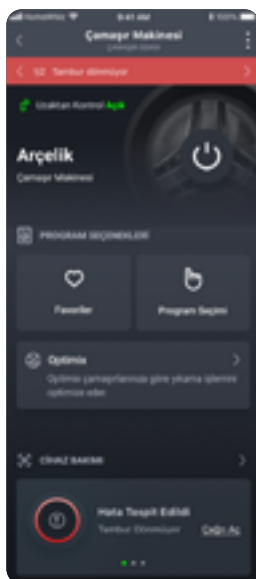
Newly developed CustomWash and CustomDry features are designed to enhance the consumer experience by offering personalized appliance settings that better address users' specific needs. Thanks to the introduction of CustomWash in washing machines and dishwashers, and CustomDry in tumble dryers, users can now provide feedback on various programs through the HomeWhiz smart-home app. Users are asked to provide feedback about criteria such as cleaning performance, program duration, wrinkle level, and detergent residue. At the end of each run of an appliance program, the user is asked to rate the results. AI analyzes the responses and the findings are used to refine program parameters so as to achieve a more personalized and satisfying experience the next time. This allows each appliance's program to be customized according to a user's preferences, ultimately delivering a superior product experience.



Predictive fault detection system

SmartFix is an Arçelik technology that spots potential refrigerator malfunctions before they become actual problems. If SmartFix suspects that something might go wrong, it notifies customer service automatically and recommends what spare parts will be needed to ensure that any issues can be dealt with in a single visit.

A detailed analysis was made of data sent to the cloud by cabinet refrigerators equipped with HomeWhiz WiFi. With an accuracy rate of over 90%, this system can predict potential failures and alert users beforehand. Our dedicated customer service network then steps in to ensure a seamless resolution process.



INNOVATIVE PRODUCTS INTRODUCED IN 2024

TELEVISIONS

Next-generation OLED & QLED televisions

Manufactured for the first time by Arçelik using OBM (OLED Basic Module) OLED panel production infrastructure, these 55-inch and 65-inch models are equipped with a metal stand that can swivel 30 degrees left and right for optimal viewing from any position. Designed for the premium segment, they also incorporate the Google TV platform and state-of-the-art technological features. To further enhance the user experience, these units are likewise equipped with “Sound by ELAC” audio systems as a result of Arçelik’s collaboration with the prestigious German speaker company ELAC, known for its high-fidelity audio products. This innovative audio solution elevates the viewing experience by immersing users in rich, high-fidelity stereophonic sound.

Aiming for wider accessibility, our new lineup includes 60Hz UHD models with QLED technology for stunning picture quality and the Google TV platform for easy access to streaming and entertainment. These models are offered in all screen sizes between 43-inch and 75-inch and are now available in Turkey, Germany, Spain, and the Balkan countries. In recognition of its exceptional performance and features, our 75GIQ8900B model QLED TV has received the prestigious “Best Buy TV 2025” award from ON OFF media magazine, a leading Spanish publication specializing in consumer electronics and information technology.



Advanced smart tv experience with Google TV

As a leading manufacturer deploying the next-generation Google TV platform in Europe through our partnership with Google, we have launched Android 14 OS smart TVs across our entire 60Hz product range.

The Google TV platform also provides a competitive solution for consumers seeking HD and FHD TVs in 32-inch, 40-inch, and 43-inch screen sizes. Users can enjoy a truly personalized entertainment experience with the Google TV platform, thanks to its multi-profile capabilities and customized content recommendations.



iF Award-winning mobile TV app

Our mobile TV remote control app, designed to enhance the television viewing experience with its fully customizable interface, has received the prestigious “iF Design 2024” award. By providing a user-centric experience with intuitive tactile and visual interactions, this app enjoys a key competitive advantage in the market. Due to be launched in 2025, this app will further enhance the TV experience for users. We intend to continue increasing customer satisfaction by introducing new content and features to the app.



INNOVATIVE PRODUCTS INTRODUCED IN 2024

INDUSTRIAL DISPLAYS

LED display and software solutions

Our LED display product range expanded in 2024 with the introduction of 80-inch and 90-inch portable LED posters. Our LED poster displays are designed to provide both exceptional portability and user-friendly management features. We have developed a new line of robust LED displays capable of 24/7 operation. These displays deliver enhanced control and flexibility thanks to seamless integration with Arçelik's Arsigna™ remote management software.

To facilitate meeting room management, we have developed ARMeetroom, a software product designed specifically for our 10.1-inch Android touchscreens.

To meet the needs of retail environments, we have introduced a robust 55-inch industrial display designed for continuous operation. This model offers exceptional visibility with a 3,000 nits brightness level and seamless

integration with our Arsigna™ content management software for easy content updates and scheduling.

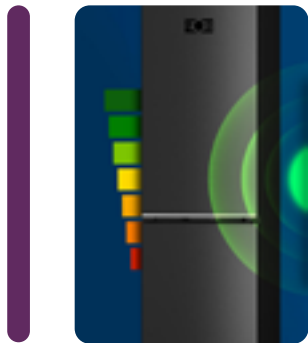
Developed for in-room entertainment solutions in the hospitality sector, our Android Hotel TV models and Arguest management software were rolled out in the last quarter of the year.



REFRIGERATORS

HarvestFresh technology

HarvestFresh, an innovative food technology introduced by Beko, helps to preserve the vitamin A and C content of fresh produce stored in refrigerators by simulating natural daylight cycles inside the units. We have achieved considerable progress in enhancing the capabilities and performance of this technology. This technology is being further enhanced by integrating it with other advanced freshness solutions to deliver a superior level of food preservation in our refrigerators.



A and B energy class 60 cm bottom mount refrigerators

Developed in response to the increasing demand for high energy-efficient products in the wake of new regulations in Europe, standard-width 60 cm A and B energy class bottom mount refrigerators are now available in two different cabinet height options: 185 cm and 200 cm. Compared with F energy class refrigerators, B energy class units use 59% less energy while A energy class units deliver an even more impressive 67% saving. Such innovations contribute positively to the environment while also underscoring brand's commitment to sustainability.

New Design Series: 70 cm bottom freezer No Frost Prologue & Beyond Refrigerator

A top seller in the Turkish market, the 70 cm bottom freezer No Frost Prologue & Beyond Refrigerator was given an update. It now boasts increased energy-efficiency and a modern design, featuring AeroFlow and HarvestFresh technologies.

The 70 cm bottom freezer No Frost Prologue & Beyond Refrigerator is now in production at the company's Eskişehir Plant. It will be sold in Turkey, Europe, the Middle East, and North Africa.



INNOVATIVE PRODUCTS INTRODUCED IN 2024

REFRIGERATORS

600+ liter no frost bottom freezer refrigerator

Offering advanced freshness technologies such as AeroFlow, HarvestFresh, and EverFresh+, this refrigerator provides over 600 liters of net capacity while also delivering market-leading A energy-class efficiency. This innovative appliance impresses with both its spacious interior and its energy-efficiency, in addition to ensuring exceptionally superior freshness and storage experience.



500+ liter no frost bottom freezer refrigerator

This C energy class refrigerator boasts a capacity of over 500 liters and features freshness technologies like AeroFlow, HarvestFresh, and EverFresh+. It is also equipped with additional freshness technology solutions like Fresh & Freeze and Pot Cooling that have been developed exclusively for this model. This innovative appliance provides users with exceptional freshness while also helping to preserve food for longer. It likewise delivers exceptional energy-efficiency and performance thanks to its special cooling technologies.

60 cm bottom freezer refrigerator with freezer drawers

Featuring drawers in the freezer compartment instead of a conventional single door, this new design is a game-changer in the standard 60 cm bottom freezer refrigerator segment. Combining A-class energy-efficiency with whisper-quiet operation, this innovative product impresses with both its design and functionality. The appliance features freezer drawers, advanced freshness technologies such as AeroFlow, HarvestFresh, and EverFresh+, and an ergonomic design with telescopic drawers to provide users with both cutting-edge technologies and exceptional convenience.



Egypt factory: 70 cm top freezer no-frost refrigerator

With the commissioning of our new plant in Egypt, 70 cm no-frost top freezer refrigerators, a staple in the MENA region, are now rolling off the production line. Featuring both our stylish Beyond design and innovative HarvestFresh technology, these refrigerators have begun appearing on the market.

The factory's output is currently being directed to consumers in Egypt, Morocco, Algeria, and Jordan. In the coming months, units will also be introduced in other MENA countries, with particular attention being given to those in the Gulf region.

INNOVATIVE PRODUCTS INTRODUCED IN 2024

REFRIGERATORS



Singer 56 cm static top and bottom freezer refrigerators

Dubbed “Project Naz”, the company’s third production platform for the Bangladesh market is targeting the mid-to-upper (250-300-liter) segment with the aim of supplying globally designed, high-quality, yet competitively-priced refrigerators to a broader range of consumers. Local production now covers almost the entire product line. Domestically manufactured refrigerators in Bangladesh enjoy substantial tax benefits compared to imports and this enables the creation of highly competitive products.

By launching new offerings, Singer enhances its brand perception in the market while aiming to achieve sustainable growth by steadily increasing its market share in terms of both value and volume. The development of Singer’s product lines and existing product platforms will continue in 2025.

Dawlance no-frost refrigerators

The “Prima Line” launch, which introduced no-frost technology to Pakistan for the first time, has been successfully completed. A total of four different refrigerator models are part of this launch, featuring both double-door and wardrobe-style refrigerators with a capacity of at least 490 liters.

The 490-liter double-door model made history as the country’s first domestically manufactured no-frost refrigerator. Bottom-freezer models, which are new to the market, have also been introduced.

Dawlance’s strategy is to initiate and lead Pakistan’s changeover to no-frost technology by combining its own domestic production strengths with our innovative features, advanced technology, and unique design capabilities.





Beko Thailand: 66 cm 405-liter no-frost top freezer refrigerator

This new line is designed to position itself in the 400-450-liter range, demand for which is on the rise across the Asia-Pacific (APAC) region. Featuring the “AeroFlow” cooling system, this refrigerator provides superior cooling and freshness compared to its competitors, while also being tailored to the usage habits of consumers in the region. It likewise delivers the highest energy-efficiency level in the Thailand region but at a very competitive price.

Hitachi: 66 cm no-frost top freezer refrigerators

The Hoshi project has revamped Hitachi’s 300-450-liter refrigerator range, targeting one of the largest refrigerator segments in the APAC region. The new products feature a completely new and modern style with design details inspired by Japanese culture. Designed for maximum competitiveness, this line offers global quality and market-leading features. The goal is to nourish sales growth over the next five years by leveraging the new platform investment.



Defy: Solar Off-Grid Project and 60 cm bottom freezer refrigerator and 254-liter chest freezer

In South Africa, Defy has launched its Solar Off-Grid Project with the aim of fostering consumers’ sustainability awareness and knowledgeability while also increasing Defy brand visibility across the region. Two product groups are targeted in this project: entry-level 60 cm bottom freezer refrigerators along with chest freezers. These appliances incorporate a hybrid technology that allows them to operate on both mains electricity and rechargeable solar batteries. This approach is designed to create a market advantage with products that offer added value while also supporting our core principle of sustainability.

INNOVATIVE PRODUCTS INTRODUCED IN 2024

SMALL HOME APPLIANCES

Full automatic espresso machine

This fully automatic espresso machine boasts a touchscreen color digital display and utilizes next-gen Cold Brew and TFT screen technologies, allowing users to prepare 18 different beverages with a single touch.

Offering a wide variety of refreshments including cold options and cold brew coffee, the unit can be controlled remotely via WiFi and is easily managed with voice commands. The user experience is further enriched by built-in features such as four different customizable user profiles and a guest mode. We anticipate that these advanced technological features and ease of use will give this product a significant competitive edge in the market and deliver strong commercial value.



Semi-automatic espresso machine

Allowing users to prepare four different types of coffee with a single touch, our semi-automatic espresso machine also boasts a touchscreen color digital display. The appliance is compatible with loose powder, capsule, and pod espresso coffee.

A built-in container allows for automatic milk frothing for coffees with milk. Users can even adjust the froth density to suit different coffee types. Affordably priced and offering a range of coffee options, our semi-automatic espresso machine is expected to be a strong competitor and deliver solid commercial value in Turkey and other national markets.



Telve-X Plus Turkish coffee machine

The Telve-X Plus is an improved model of Arçelik's popular Telve-X Turkish coffeemaker. Featuring up to a five-cup capacity and the ability to prepare five different beverages, the Telve-X Plus is now on sale.

This versatile ceramic-based Turkish coffee machine can be used to prepare traditional quick-brewed and slow-brewed Turkish coffee as well as Turkish coffee with milk. It can also be used to heat milk and to make hot chocolate. Introduced in July 2024, the Telve-X Plus's competitive price and flexible utility have since significantly boosted Arçelik's market share in the Turkish coffee machine category. The appliance is to be launched in international markets and strategies are being developed to broaden distribution channels and raise product awareness.



Steam-assisted air fryer

This appliance, the first in our air fryer product line to feature steam-assisted cooking, delivers value to customers with three different cooking modes: air frying, steam-assisted cooking, and grilling. Its built-in Vitasteam™ technology has been confirmed by an independent testing organization to effectively preserve the nutritional value of cooked foods, including dietary fiber and vitamins A and C and the protein content of meats and vegetables. A color digital display and eight separate automatic cooking programs make this appliance a strong market competitor.

INNOVATIVE PRODUCTS INTRODUCED IN 2024

SMALL HOME APPLIANCES

Cordless stick vacuum cleaner with multi-cyclone technology

This next-gen cordless stick vacuum cleaner boasts a 25.2V – 2500mAh battery, 150AW suction power, a multi-cyclone filter for extended performance, and an LED display that provides real-time user information. Intended for sale both in Turkey and abroad, this appliance is expected to deliver significant commercial value in the Balkan countries, France, Germany, Norway, Russia, and the UK as well as in other national markets into which it is introduced.



Rechargeable Vacuum Cleaner with Automatic Dust Emptying Charging Station

Arçelik has launched its first cordless vacuum cleaner equipped with a self-emptying feature. In addition to its new multi-cyclone technology, this vacuum has two main brushes: one for carpets and one for hard surfaces. The hard surface brush includes a double roller for more effective cleaning along wall bases. The built-in self-emptying system empties the dustbin without any need for the user to come into contact with the contents. Aiming to outperform its competitors both technologically and commercially, this appliance is currently being manufactured for sale in the Balkan countries, Czechia, France, Germany, Poland, Romania, Russia, and the UK, as well as Turkey.



3-in-1 wet and dry cordless stick vacuum cleaner

Targeting the premium market, this new 3-in-1 cordless vacuum cleaner provides a comprehensive cleaning solution by integrating mopping, liquid pick-up, and dry vacuuming capabilities. It is designed for the effortless cleaning of various types of dirt and debris and can even cope with liquids. With multiple cleaning modes, separate clean and dirty water tanks, and cordless operation, this appliance delivers a comprehensive cleaning experience. A built-in display provides information about cleaning mode, alerts, and battery level, as well as the level of dirt on the surface being cleaned. This appliance is intended to capitalize on the rapidly growing wet and dry stick vacuum category and to generate strong commercial value in both Turkish and international markets.



AUDIO SYSTEMS



PartyHit Max

With its powerful 160W sound output, the Grundig PartyHit Max delivers an uninterrupted party experience for up to eight hours. Two constantly working passive radiators deliver top-notch sound quality, and RGB lighting effects make the design even more captivating. Currently on sale in Germany, Russia, and Turkey, the PartyHit Max is the latest result of Grundig's ongoing investments in bluetooth-enabled audio devices. In a market where traditional units continue to lose ground, Grundig remains committed to delivering innovative solutions to its customers.

DSB 5000

Nourished by investments by broadcasters and content providers, increasing consumer awareness of audio quality has fueled demand and growth in soundbars. With its 5.1.2 speaker configuration, the Grundig DSB 5000 aims to provide audiophiles with an immersive 360-degree listening experience. Available in Russia and Turkey, this soundbar has garnered positive reviews and established itself as a flagship model showcasing Grundig's commitment to leading the way in audio system development.





Arçelik and Sustainability

Environment

Reduce environmental footprint

Social

Improve people's lives

Governance

Be an innovative global citizen

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OUR SUSTAINABILITY APPROACH



The company revises its sustainability approach in line with global trends, international standards, and ongoing materiality analysis.

In this report, the data and disclosures presented within the scope of sustainability have not been prepared in accordance with the provisions of the TSRS under Public Oversight, Accounting and Auditing Standards Authority (KGK) regulations and have not been subjected to the assurance audit required by KGK.

The report, to be prepared in accordance with TSRS 1 and TSRS 2 including the necessary data and disclosures, and subject to sustainability assurance audit by an independent auditor, will be publicly disclosed separately within the legal allowed timeline

In line with its vision of “Respecting the World, Respected Worldwide”, Arçelik has been committed for over half a century to generating sustainable benefits for all its stakeholders in accordance with environmental and social issues, governance requirements and trends, and the policies and liabilities developed regarding all these. The company’s sustainability approach embraces not just the innovative products and services that it supplies through the conduct of its global operations but their social, environmental, and economic ramifications as well. Arçelik’s sustainability approach is formulated so as to be compatible with the United Nations Sustainable Development Goals (SDGs).

Arçelik conducts its operations in line with its overarching “In Touch Technology” approach while also ensuring the active involvement of all internal and external stakeholder groups in order to identify priority issues as well as their short-, medium- and long-term objectives and their risks and opportunities.

In line with this framework approach, Arçelik establishes its sustainability priorities on three strategic pillars. The company strives to minimize its environmental footprint and contribute to the conservation of natural resources through the “In Touch with Planet” pillar. The company embraces the principles of “In Touch with Human Needs” to improve the lives of individuals and “In Touch with Business” to become an innovative global citizen and incorporate sustainability into business processes.

The company revises its sustainability approach in line with global trends, international standards, and ongoing materiality analysis.

Arçelik establishes its sustainability priorities on three strategic pillars.

IN TOUCH TECHNOLOGY		
In Touch with Planet	In Touch with Human Needs	In Touch with Business
TO MINIMIZE ITS ENVIRONMENTAL FOOTPRINT AND CONSERVE NATURAL RESOURCES	TO IMPROVE THE LIVES OF INDIVIDUALS	TO BECOME AN INNOVATIVE GLOBAL CITIZEN AND INCORPORATE SUSTAINABILITY INTO BUSINESS PROCESSES
<p>Transforming our business to accelerate our transition to net-zero emissions and near-zero waste in our operations and minimize the environmental impact of our products</p> <ul style="list-style-type: none"> · Climate Action · Water Management · Waste Management · Chemicals Management · Biodiversity · Material Recycling and Reduction · Energy and Water Efficient Products · Durability, Repairability, and Reuse · Product End of Life Responsibility 	<p>Developing a purpose-driven company that generate positive impacts on society and minimize environmental impact by encouraging communities to attain a more equitable and inclusive social framework</p> <ul style="list-style-type: none"> · Corporate Citizenship · Supporting Society with Equal Opportunities and Inclusion · Corporate Volunteerism · Community Development and Partnerships · Products that Create Social and Environmental Value 	<p>Achieving long-term sustainable growth through the incorporation of sustainability into decision-making and business processes</p> <ul style="list-style-type: none"> · Business Ethics and Transparency · Corporate Governance · Sustainable Financing · Future Fit Culture, Talent and Organization Management · Occupational Health and Safety · R&D, Innovation, Digital Transformation, and Smart Solutions · Data Privacy and Cybersecurity · User Experience · Product Quality and Safety · Sustainable Supply Chain Management

The Arçelik 2023 Sustainability Report outlines all of the Arçelik 2030 Sustainability Targets. The progress made towards these targets in 2024 will be highlighted in the 2024 Integrated Report. To access Arçelik Sustainability Reports, please visit <https://www.arcelikglobal.com/en/company/reports-presentations/>

SUSTAINABILITY PRIORITIES

Since 2022, the materiality analysis has been conducted annually using a double materiality approach.

Arçelik prioritizes identifying, assessing, and reporting the material topics for its stakeholders when establishing its sustainability strategy. In this particular context, the company conducts a materiality analysis with the involvement of its stakeholders. Since 2022, this analysis has been conducted annually using a double materiality approach conforming to the provisions of the European Union's Corporate Sustainability Reporting Directive (CSRD).

The company's double materiality assessment encompasses three fundamental stages. The first stage is to identify the material topic list. While identifying the material topic list, a literature review is conducted through the external sources such as GRI Standards, SDGs, ESG rating agencies, the WEF's Global Risks Report, the Value Reporting Foundation framework, and the WBCSD membership criteria, along with industrial developments.

Arçelik's three core sustainability pillars provide the framework for the 20 issues identified in this assessment.



During the second stage of the study, assessments from both business and external stakeholders were analyzed in both directions, following the methodology outlined in the document “Materiality Assessment Implementation Guidance” by the European Financial Reporting Advisory Group (EFRAG). The outcomes of the participatory survey involving stakeholder groups were shaped by the perspectives of the company senior management. When assessing the “Outside-In” materiality, the financial materiality of sustainability matters on Arçelik was assessed, while the “Inside-Out” assessment focused on the company’s impact on society and the environment regarding the identified topics, with the outcomes represented in a matrix. During this process, the “dynamic materiality” approach was used to assess how the importance of issues has evolved over time.

The final stage of the double materiality analysis includes the processes of identification of the risks, opportunities, and impacts on the business structure regarding the topics categorized as “very high priority” and costing the impact of the material topics in order to create a concrete evaluation and roadmap. This last step helps evaluate sustainability priorities within business processes and ensure the integration of results into overall processes.

For the 2023 analysis, Arçelik surveyed 14 stakeholder groups to identify the individual priorities of each of its 20 core issues. The results of these surveys were then analyzed. The issues that stakeholders deemed “Very High Priority” last year were:


- Energy and Water Efficient Products
- Product Quality and Safety
- Climate Action
- Sustainable Financing
- Future Fit Culture, Talent and Organization Management
- Sustainable Supply Chain Management
- Corporate Governance

While the 2024 materiality analysis largely follows the same approach and steps, it has been enhanced to reflect Arçelik’s growing operations and expanding stakeholder network. The updated matrix is available for examination in the Arçelik 2024 Integrated Report and Materiality Report ⓘ (www.arcelikglobal.com/en/company/reports-presentations/materiality-reports).

The “dynamic materiality” approach was used to assess how the importance of issues has evolved over time.





A photograph of two male workers in a recycling facility. The worker on the left is wearing an orange high-visibility shirt and is lifting a large, dark, textured piece of material. The worker on the right is wearing a blue and black polo shirt and is looking at the first worker. In the background, there are large stacks of white plastic containers, some of which are wrapped in clear plastic. The floor is covered with various pieces of debris and materials.

When developing its sustainability strategies, Arçelik prioritizes the identification, assessment, and reporting of issues that its stakeholders consider important.

SUSTAINABILITY GOVERNANCE

Embracing sustainability as a business model based on the stakeholder capitalism approach is an integral part of Arçelik's value creation model. Thus, alongside regional regulations and legal obligations, the company establishes its sustainability strategy in accordance with globally recognized frameworks such as the Science Based Targets initiative (SBTi), the Carbon Disclosure Project (CDP), and the International Sustainability Standards Board (ISSB).

Below is an overview of the governance structure for monitoring, managing, and integrating the sustainability strategy into business practices:

At Arçelik, the Board of Directors is the highest governance authority responsible for managing and monitoring the sustainability strategy, as well as ensuring that the relevant teams are equipped with the required skills to manage risks and opportunities effectively.

Board of Directors' Responsibility

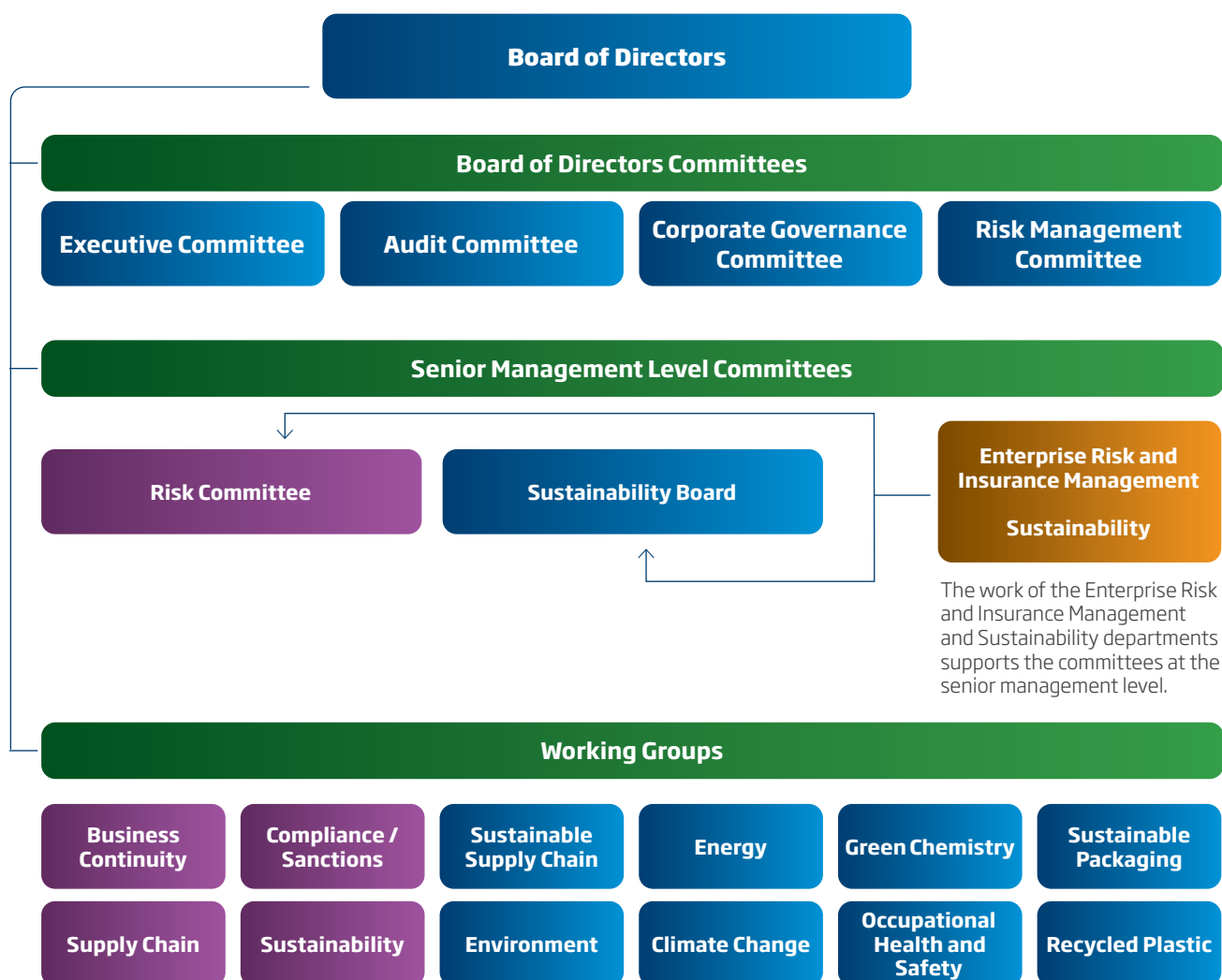
At Arçelik, the Board of Directors is the highest governance authority responsible for managing and monitoring the sustainability strategy, as well as ensuring that the relevant teams are equipped with the required skills to manage risks and opportunities effectively. Koç Holding Consumer Durables Group President, who also serves as a Board member, is responsible for reporting sustainability-related matters to the Board of Directors. The Board of Directors receives reports on sustainability studies three times annually.

The Risk Committee is a Board-level body that is responsible for overseeing the implementation and execution of strategic decisions and action plans related to all ESG risks that might impact the company's overall strategies and potentially pose challenges for the company. Issues that are to be discussed at meetings of this committee are determined jointly by the company's Sustainability, Enterprise Risk, and Insurance management teams, whose reports must be submitted to the committee at least twice a year.

Execution Responsibility

ESG issues are monitored at the executive level by the Sustainability Committee, whose chair is the CFO. The Sustainability Committee has the highest executive-level responsibility for the management of all issues involving sustainability. This committee convenes quarterly.

The C-level executive team serve as natural members of the Sustainability Council. Other Executive Directors are also involved in the Council, depending on the topics to be discussed at the Council meetings.



At the Sustainability Council, decisions regarding corporate sustainability and climate change strategies are made, their integration into the company's business processes is ensured, and performance monitoring is conducted.

The Chief Sustainability, Quality & Customer Care Officer is the highest authorized individual responsible for executing sustainability matters.

Departments such as Sustainability, Environment, Energy, and Industrial Relations under CSQCCO Office focus operationally on incorporating sustainability into business

processes, monitoring and reporting performance, tracking targets, and developing new projects.

Additionally, there are several sustainability working groups that have been established to focus on various sustainability-related matters.

The activities and key findings of the Environment, Energy, Green Chemistry, Climate Change, Sustainable Supply Chain, Occupational Health and Safety, Sustainable Packaging, and Recycled Plastic working groups enable the identification of topics to be presented to the Sustainability Council.

SUSTAINABILITY GOVERNANCE

Reflection of Sustainability Performance on the Performance Target Cards of Executives

To ensure the effective implementation of Arçelik's sustainability strategy, specific ESG Key Performance Indicators are integrated into the performance targets of the general manager and of assistant general managers, senior executives, and personnel whose responsibilities entail sustainability issues.

Stakeholder Engagement

By ensuring the involvement of all stakeholders in its value-creation processes through transparent and continuous stakeholder communication, Arçelik endeavors to incorporate sustainability into all of its business processes and ecosystems for the sake of a more sustainable future. The company engages closely with a diverse range of stakeholders when addressing sustainability-related issues. These stakeholders include, but are not limited to, non-governmental organizations, government agencies, industry partners, universities, employees, customers, and other interested parties.

Detailed information about the principal organizations, memberships, and stakeholder communication channels that inform the company's efforts to ensure stakeholder engagement is provided in Arçelik's 2023 Sustainability Report. The developments in this area in 2024 will be highlighted in the 2024 Integrated Report. (🌐 www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)

Sustainability Reporting

Our company has published a sustainability report every year from 2007 to 2023. Our company will publish its first Integrated Report in 2024. Our 2024 Integrated Report will be prepared in compliance with GRI, TSRS, CSRD, IIRC and can be accessed from the link below: (🌐 www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)

Arçelik's International Business Council Stakeholder Capitalism Metrics (SCM) performance is reported to investors and other stakeholders. This report is consistent with the framework established by the Task Force on

		CEO	Chief Financial Officer
Material Topic	KPI		
Climate Action	Reduction of Scope 1-2 emissions	✓	✓
	Reduced water consumption	✓	✓
	Waste reduction	✓	✓
Product Quality & Safety	Product quality	✓	✓
Energy & Water-Efficient Products	Reduction of Scope 3 use-phase (direct) emissions	✓	✓
Sustainable Supply Chain Management	Sustainability integration in the supply chain	✓	✓
Material Recycling and Reduction	Use of recycled materials in products	✓	
	Use of recycled materials in packaging	✓	
Sustainable Financing	Green financing	✓	✓
	Sustainable finance reporting		✓
Corporate Governance	Sustainability reporting regulatory compliance, Digitalization, Index rankings	✓	✓
Future Fit Culture	Human Rights		
	Diversity, Equity, and Inclusion Transformation	✓	✓
	Employee engagement	✓	

Climate-related Financial Disclosures (TCFD). It provides information on climate-governance practices, an analysis of ESG-related risks and opportunities, and the company's approved Science-Based Targets (SBTs).

The business model, which was initially featured in the 2021 Sustainability Report, was also incorporated into the 2022 report following the guidelines of the International Integrated Reporting Council (IIRC).

In this context, in the Arçelik 2023 Sustainability Report, all activities were assessed based on the six capitals of integrated reporting: Human Capital, Natural Capital, Financial Capital, Manufactured Capital, Intellectual Capital, and Social Capital.

ARÇELİK AND SUSTAINABILITY		CORPORATE GOVERNANCE			FINANCIAL INFORMATION		OTHER INFORMATION	

The environmental and social performance indicators presented in Arçelik's sustainability reports are validated as being reasonably (sufficiently) assured. Arçelik's sustainability reports have been assessed by the World Business Council for Sustainable Development's Reporting Matters program since 2020. It has also won the "Best Sustainability Report" award in the Sustainability Academy's Sustainable Business Awards program five years in a row. In 2024, the company's 2023 Sustainability Report was also the recipient of the Academy's "Honor" award.

Last year, compliance with the Turkey Sustainability Reporting Standards (TSRS) became mandatory for companies based in Turkey with its publication in the official gazette. TSRS applies to corporate sustainability reports

for calendar year 2024 and thereafter. However, because Arçelik voluntarily complied with TSRS a year before it was mandatory for companies based in Turkey, the company's 2023 report is also TSRS-compliant. The TSRS Compliance Statement will be included in our 2024 Integrated Report within 9 months following the publication of this annual report, based on the Provisional Article 2-c of the Board Decision on the Scope of the TSRS Implementation Principles.

🔗 <https://www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/>

PIONEERING PRACTICES IN SUSTAINABILITY



Sustainability Performance Ratings

Arçelik's successful sustainability performance is acknowledged by the high ratings that international rating agencies and organizations assign to it and by its top-tier industry ranking in globally respected sustainability indexes.

2024 acknowledgements of Arçelik's sustainability-performance achievements are as follows:

- As of November 22nd 2024, Arçelik scored 89/100 in the **S&P Global Corporate Sustainability** Assessment for the Household Durables sector, ranking first among 45 companies in the assessment for the sixth consecutive year. Arçelik was also included in the **Dow Jones Sustainability Index** for the eighth year in a row.

- Arçelik was placed in the top 1% tier in the **2024 S&P Sustainability Yearbook**, which includes the best-performing companies.
- For the fifth time in a row, Arçelik was included in the **Corporate Knights Global 100 Index**, which recognizes the world's most sustainable companies. Moreover, Arçelik ranked 1st in the Consumer Durables Industry.
- As a result of the 71 out of 100 points that Arçelik received in the 2025 **EcoVadis Sustainability Assessment**, the company was awarded a "Silver EcoVadis Medal".
- Arçelik received a score of "A" in the **Carbon Disclosure Project's** 2024 Climate Change Program and a score of "A" in the Water Security Program.
- As of October 14th 2024, **Morningstar Sustainalytics** assigned Arçelik an ESG risk rating of 13.6. This rating indicates that the risk of ESG issues having a material financial impact on the company is low.¹
- Arçelik ranked 44th out of 500 companies and first in its industry in TIME Magazine's **"World's Most Sustainable Companies"** list published for the first time in 2024. The list ranks over 5,000 companies with Arçelik achieving a score of 75.68 out of a possible 100 points.
- Arçelik received the highest (89/100) London Stock Exchange Group (**LSEG**) **ESG rating** in the household durables industry based on 2023 performance data.

¹ The information provided here is not to be construed as investment advice or an expert opinion as defined by applicable laws and regulations.

- Every year since 2016 Arçelik has been included in global index and data-provider **FTSE Russell** Research's **FTSE4Good Emerging Index** of emerging-market companies ranked on the basis of their strong ESG performance.
 - 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.
 - Arçelik's shares have been consistently included in the BIST Sustainability Index ever since they were 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.
 - Arçelik has been assigned a "Prime" ESG rating by **International Shareholder Services**.
- ### International sustainability platforms
- As a signatory to the **United Nations Global Compact (UNGC)**, the company incorporates 10 principles into its business practices and provides reports accordingly.
 - Emphasizing the significance of sustainable water management, Arçelik is an endorser of the **CEO Water Mandate**, which is an initiative of the United Nations Global Compact and aims to mobilize business leaders on water management.
 - The company is committed to achieving Net Zero Emission by 2050, in compliance with the SBTi Standard.
 - Arçelik, as a member of the **Climate Group EP100**, upholds the goal of doubling its economic output for each energy unit by 2030.
 - Arçelik's CEO, Hakan Bulgurlu, is a member of the **World Economic Forum's CEO Climate Leaders Alliance**. As the world's biggest global CEO-led community focused on climate action, the alliance's mission is to mobilize all sectors to achieve a net-zero economy.
 - The company participated in the gender equality mobilization initiated by Koç Holding, one of the leaders of the UN Women Generation Equality Forum, in the technology and innovation field and became a supporter of the **Action Coalition** by sharing three commitments and six targets to be accomplished by 2026. The company reports its target-fulfilment progress annually to UN Women.²

Arçelik's sustainability performance is consistently rated at the highest level by international rating agencies.

² <https://commitments.generationequality.org/accountability-report-2024>

IN TOUCH WITH PLANET



The company continuously partners with different stakeholders to come up with solutions to environmental problems like climate and water crisis mitigation, plastic pollution, and waste management.

In line with its “In Touch with Planet” approach, Arçelik is committed to protecting natural resources and minimizing its environmental impact by developing innovative products and improving its operations. The company continuously partners with different stakeholders to come up with solutions to environmental problems like climate and water crisis mitigation, plastic pollution, and waste management. Arçelik not only integrates sustainability into its products but also strives to increase its stakeholders’ sustainability awareness across its entire value chain and help them improve their own environmental performance.

Arçelik accomplishes its “In Touch with Planet” targets through:

- the implementation of the climate action and decarbonization strategy designed in alignment with the SBTs;
- adopting the approach of fully complying with environmental legislation and going beyond requirements;
- the generation and utilization of renewable energy;
- the studies on the development of energy- and water-efficient products;
- ensuring energy- and water-efficiency in production processes;
- minimizing the usage of materials in production and using biomaterials;
- ensuring effective waste management practices; and
- studies on sustainable packaging.

Our sustainability goals and progress in this area can be found in our 2023 Sustainability Report and developments in 2024 can be found in our 2024 Integrated Report: ([© www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/](https://www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/))

Climate Action

The climate crisis is the most serious threat confronting our planet and its ecosystems today. Arçelik is committed to fighting the climate crisis and making this fight a central element of its business strategies and operations.

Environmental Management

Arçelik carries out all of its business processes in accordance with ISO 14001 (Environmental) and ISO 50001 (Energy) management systems, along with other applicable internationally recognized product and management standards. The operational effectiveness and continuity of the company's management systems are ensured by means both of regularly conducted internationally.

Arçelik's headquarters and plants have all been audited and awarded ISO 14001 Environmental Management System certifications. The company complies with applicable waste electrical and electronic equipment (WEEE) regulations in the fulfillment of its extended-producer responsibility obligations in every country in which its products are sold. The company is a member of organizations that manage the collection, recycling, and disposal of end-of-life (EOL) products.

Arçelik complies with the RoHS Directive (2011/65/EU), which restricts the use of certain hazardous materials in electrical and electronic equipment as well as with that directive's 2015/863/EU amendment. Recognizing the importance of protecting human health and the environment, the company prioritizes and regards compliance with REACH Regulation (EC) 1907/2006 as a critical statutory obligation. This regulation ensures the registration and traceability of all chemicals used by companies; it also facilitates the transmission of chemical

safety information throughout their supply chains. Committed to environmental stewardship, Arçelik ensures that its refrigerators use hydrocarbon refrigerant gases that are specifically chosen for their low environmental impact, their non-destructive effect on the ozone layer, and their reduced contribution to global warming.

For the refrigerants used in the heat pumps of its laundry dryers, Arçelik has recourse to alternatives whose global warming potential is less. The company is now using hydrocarbon refrigerants whose contribution to global warming is close to zero. Since April 2018, Arçelik has been upgrading the energy-efficiency and ecoaware design criteria of its water and space heaters and raising the minimum requirements which they must satisfy. In these as well as in all other respects, the company makes certain that it is in full compliance with mandatory regulations.

Studies are conducted on environmental aspects related to products and production, as well as on the compliance of supplier companies in this regard. During 2024, the company's strategically partnered suppliers were regularly checked by independent auditors to determine their compliance with mandatory environmental and hazardous-material laws and regulations, and with Arçelik's ethical-business guidelines.

Training resources are made available to increase environmental awareness and propagate it throughout the company's value-creation chain. Provided both to Arçelik's own personnel and to those of its subcontractors, such training now covers a number of social responsibility topics as well. The number of environmental training sessions (person x hours) provided in 2024 can be accessed from the Arçelik 2024 Integrated Report at ([© www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/](https://www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)).

IN TOUCH WITH PLANET

Arçelik budgets financial resources and undertakes investments to reduce its environmental footprint and to improve its environmental performance. The amount of environmental protection expenditures and investments made in 2024 can be accessed from the Arçelik 2024 Integrated Report at ([🔗 www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/](https://www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)).

Greenhouse Gas Emissions

In 2024, the Science Based Targets initiative (SBTi) approved Arçelik's science-based targets for reducing greenhouse gas emissions and achieving net-zero emissions. These targets are in line with the Paris Agreement's scenario to limit global warming to 1.5 °C. Arçelik's near-term goal is a 42% reduction in both Scope 1 and Scope 2 greenhouse gas emissions by 2030. This goal also includes a 42% reduction in the Scope 3 emissions that are generated during the product use phase. The company's long-term goal is to achieve net-zero carbon emissions by 2050. By that year, the company is aiming to have achieved a 90% reduction in Scope 1 and 2 greenhouse gas emissions and a 90% reduction in Scope 3 emissions. All these targets use 2022 as the same base year. These targets apply across Arçelik as a whole and include all of its subsidiaries and affiliates. They also apply to all of its major and small household appliance groups. Arçelik's GHG reduction targets cover its CO₂, CH₄, N₂O, HFCs, and SF6 emissions. The company systematically monitors and reports on the progress it makes towards achieving these targets.

In 2022, Arçelik broadened its climate change mitigation strategy to include not just its own production operations but also those of its subsidiaries and affiliates in its GHG inventorying process. An independent accredited body provides "Reasonable assurance" verification of Arçelik's

greenhouse gas emissions (Scope 1, Scope 2, and Scope 3). These emissions are reported according to the GHG Protocol and using IPCC guidance documents. Information about the company's 2024 greenhouse gas emissions is presented in its Arçelik 2024 Integrated Report, available from this link: ([🔗 www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/](https://www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)).

Air Emissions

The SOX, TOC, VOC, and NOX emissions from Arçelik's operations in Turkey are measured and verified by accredited laboratories with the results being presented in the company's sustainability reports. Arçelik's air emissions are compliant with mandatory limits. Air emissions data for 2024 will be included in our 2024 Integrated Report. ([🔗 www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/](https://www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)).

Energy-Efficiency and Renewable Energy

In line with its sustainability targets, the company's installed renewable-energy capacity reached 90.2 MWp as of end-2024.

Arçelik is actively pursuing a higher green electricity ratio by investing in on-site renewable energy generation (self-consumption), by purchasing green electricity, and by entering into long-term Power Purchase Agreements. 64% of the company's total electricity consumption in 2023 was derived from green energy sources. Information about the company's 2024 performance is presented in the Arçelik 2024 Integrated Report: ([🔗 www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/](https://www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)). Arçelik has set itself the target of achieving 100% renewable energy in all of its worldwide production operations' electricity procurement processes by 2030.

Arçelik is a member of the EP100 global initiative. Having previously committed itself to doubling its base-year 2010 revenue/unit of energy consumed performance by 2030, the company's energy-efficiency improvement projects already achieved that target in 2023. Arçelik is currently working to fulfill its commitment of having all of its global operations certified ISO 50001 Energy Management System-compliant by 2025.

The company has been employing the "Shadow Price Internal Carbon Pricing Model" since 2020 to guide investments in low-carbon emission technology with an investment amount of EUR 50,000 and an installed capacity of 50kW and above. For this model, the company utilizes a shadow carbon price of EUR 50 per ton of CO₂e in the lifecycle analysis conducted during the investment phase. The company regularly updates this figure to reflect changes in global carbon markets.

The ECOFACT Project, involving the company as an end-user in the EU Horizon 2020 funding program, focuses on optimizing energy-efficiency performance in production processes and auxiliary facilities while considering time and resource constraints. The project initiated at the Romania Washing Machine Plant involves processing real-time data from production and auxiliary facilities using artificial intelligence-based optimization algorithms. This will help recommend optimum operating conditions for processes and auxiliary facilities to the end-user through a decision support system to be established. By incorporating one of the local suppliers in Romania into the project, it is aimed to enhance supplier collaboration and elevate the quality of energy and environmental data exchange for the "Lifecycle Cost Analysis" as part of the project.



In line with its sustainability targets, the company's installed renewable-energy capacity reached 90.2 MWp as of end-2024.

IN TOUCH WITH PLANET



In line with its sensitivity to the climate crisis, Arçelik actively engages in internationally conducted studies in this area, fosters solution-driven collaborations, and provides support to initiatives, policies, and commitments that are implemented in the pursuit of mitigating climate change.

Arçelik is actively working to improve energy-efficiency across its operations, focusing on areas such as compressed air, HVAC, lighting, insulation, heat recovery, efficient motor conversion, and process optimization. Having set a goal to reduce its base-year 2010 energy consumption/unit produced performance by 45% by 2030, the company achieved a 25.7% reduction in 2023. Information regarding the company's 2024 performance is presented in the Arçelik 2024 Integrated Report: (📄 www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/).

Leading Energy-Efficiency Projects

Central Chiller Project

The cooling systems at the Dawlance facility in Pakistan were upgraded by replacing several small chillers serving the foaming and thermoforming sections with a single, centralized chiller. By operating with a higher coefficient of performance (COP) and reducing idle energy consumption through an improved control mechanism, this project has achieved electricity savings of 165,640 kWh, resulting in financial savings of EUR 23,452, and preventing 66 tons of CO₂e emissions.

Furnace Performance Optimization Project

By optimizing the operating temperatures and durations of the bitumen furnaces on the drum line at the Ankara dishwasher plant through an automation system, idle furnace operation was eliminated. This project resulted in electricity savings of 88,040 kWh, financial savings of EUR 6,810, and the prevention of 37 tons of CO₂e emissions.

Compressed Air Loss Reduction Project

A buffer tank installed in the compressed air system of the metal sheet cutting lines reduced compressed air losses at the Arctic Gaesti Refrigerators Plant in Romania. This project resulted in electricity savings of 38,540 kWh, financial savings of EUR 4,860, and the prevention of 11 tons of CO₂e emissions.

Partnerships for Climate Action

In line with its sensitivity to the climate crisis, Arçelik actively engages in internationally conducted studies in this area, fosters solution-driven collaborations, and provides support to initiatives, policies, and commitments that are implemented in the pursuit of mitigating climate change.

In September 2021, the company formally joined the Business Ambition for 1.5°C and Race to Zero Campaign. This initiative is a joint effort by UN organizations, businesses, and industry leaders making a global call for immediate action to realize both goals. Arçelik is a member of EP100, a global initiative that brings together over 100 businesses committed to using energy more efficiently. The company is also actively involved in the WBCSD's Climate Action, CCSR, and CFO Network & Refining Value working groups, which promote collaboration among businesses on sustainability initiatives.

The company leads the Environment and Climate Change Working Group and the Green Deal Task Force in TÜSİAD. It also contributes to and participates in various groups, including the Climate Change and Paris Agreement, Circular

Economy, Carbon Pricing, Sustainable Finance Sub-Working Groups, and the Energy Working Group and its task forces.

As stated in Arçelik's Global Industrial Relationship Management and NGO Membership Policy, all sectoral memberships and NGO partnerships are monitored for climate policy alignment. The company reveals the stances of the organizations it is affiliated with regarding the climate crisis in the Industrial Organization Membership Review Procedure. As per the decision by the Board of Directors in 2019, the Chief Sustainability, Quality & Customer Care Officer is assigned the responsibility of monitoring the continuity of the advocacy efforts conducted at the organizations in which the company has corporate membership, related to the climate crisis and the 1.5°C warming scenarios as outlined in the Paris Agreement.

When managing climate action, the company performs a comprehensive analysis of both risks and opportunities, the findings of which are then integrated into the company's risk management framework. The analyses involve both a close tracking of regional and international developments and an evaluation of numerous factors such as emissions trading systems, carbon border adjustment mechanisms, and regulations regarding product energy classes. Arçelik's climate risk-opportunity analyses can be found in our 2023 Sustainability Report, and 2024 developments can be found in our 2024 Integrated Report. (© www.arcelikglobal.com/en/company/reports-presentations/sustainability-reports/)

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Water Management

Minimizing the water footprint and managing water-related risks and opportunities are critical components of Arçelik's sustainability strategy.

The Environmental Coordination Working Group conducts water risk management and water-efficiency studies in line with the Arçelik strategy, and provides quarterly reports to the Sustainability Board. The company takes care of managing water utilization and ensures that the discharged wastewater is treated in chemical and biological treatment facilities in accordance with its characteristics, in order to ensure that it remains below the legal wastewater discharge limits, protect water resources and biodiversity in all operational areas, and periodically check their compliance with the. In this regard, Arçelik places emphasis on water-efficiency and rainwater harvesting efforts. The company strives to identify water risks in its operational regions and throughout the value chain. The Environmental Coordination Working Group conducts annual water stress analyses through the WRI Aqueduct Water Risk Atlas. The analysis findings drive projections on the financial impact of water risks and guide the development of action plans to mitigate these risks.

Arçelik's risk-opportunity analyses related to water can be found in our 2023 Sustainability Report, and developments in 2024 can be found in our 2024 Integrated Report. (© www.arcelikglobal.com/en/company/reports-presentations/).

Our company is one of the endorsing companies of the CEO Water Mandate, which was established for business leaders to make commitments and enhance water management.



Sustainability efforts conducted in terms of water management and 2024 data can be accessed from the Arçelik 2024 Integrated Report: (© www.arcelikglobal.com/en/company/reports-presentations/).

Waste Management

Arçelik is working to reduce the environmental footprint of its products through innovative waste management practices, including prevention, reduction, and at-source separation of waste during production. Arçelik takes measures to minimize its environmental footprint by using less packaging for its products and by ensuring that electrical and electronic equipment is recycled at the end of its useful life. In line with its zero-waste target, our company has committed to achieving a 99% recycling

rate for production waste by 2030. Through investments in innovative technologies, we make our product design and manufacturing processes more sustainable both by reducing the use of raw materials and chemicals and by minimizing waste generation. From the design stage onwards, our products are conceived with their environmental impact in mind, ensuring that they are recyclable and designed to minimize their environmental impact.

We are committed to fostering a zero-waste culture across our company through ongoing training, awareness initiatives, and incentives. This commitment aligns with our support for national initiatives like the Ministry of Environment, Urbanization & Climate Change's Zero Waste Project and the Technical Support Project for the Evaluation of Turkey's Transition to Circular Economy Potential (DEEP).

Sustainability efforts conducted in terms of waste management and 2024 data can be accessed from the Arçelik 2024 Integrated Report: ([© www.arcelikglobal.com/en/company/reports-presentations/](https://www.arcelikglobal.com/en/company/reports-presentations/)).

Chemicals Management

With a focus on human health and the environment, Arçelik places emphasis on the management of chemicals. Efforts are made to minimize environmental impact by considering the consumption, storage, transportation, and recovery of the chemicals utilized. At the same time, adhering to applicable regulations and tracking chemical requirements are ensured. Restriction of the use of some

harmful substances in electrical and electronic equipment (RoHS), Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and Persistent Organic Pollutants (POP), and prohibitions and restrictions of similar regulations are tracked through Arçelik Chemical Conformity Specification (KL-00093) and integrated into supplier operations. Tracking these requirements during the material commissioning and mass production stages ensures compliance with legal legislation.

Our company is one of the endorsing companies of the CEO Water Mandate, which was established for business leaders to make commitments and enhance water management.

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Environmental Performance Indicators	2022	2023	2024
Total Energy Consumption (GJ) ¹	2,204,282	2,694,386	***3
Direct Energy Consumption (GJ) ¹	987,146	973,912	***3
Indirect Energy Consumption (GJ) ¹	1,217,136	1,720,474	***3
Indirect (Purchased) Renewable-Energy Consumption (GJ) ¹	905,133	957,694	***3
Indirect (Purchased) Non-Renewable Energy Consumption (GJ) ¹	296,735	572,011	***3
Renewable Energy Generated (GJ) ¹	10,763	44,200	***3
Total Freshwater Withdrawal (m ³) ²	1,490,105	1,827,807	***3
From Wells (m ³) ²	747,363	794,781	***3
From Mains (m ³) ²	691,730	923,058	***3
Supplied by Tanker (m ³) ²	4,399	0	***3
Rainwater (m ³) ²	46,613	54,089	***3
Total Water Discharged (m ³) ²	1,272,739	1,579,893	***3
Total Wastewater (tons) ²	114,062	132,367	***3
Direct (Scope 1) Greenhouse Gas Emissions (tCO ₂ e) ¹	82,947	78,559	***3
Indirect/energy (Scope 2 (market-based)) Greenhouse Gas Emissions (tCO ₂ e) ¹	92,501	89,762	***3
Indirect/other (Scope 3) Greenhouse Gas Emissions (tCO ₂ e) ¹	31,578,391	32,099,849	***3

¹ Coverage of energy and greenhouse gas data:

2022: Arçelik Turkey, Arctic Gaesti and Ulmi Romania, Beko LLC Russia, Defy South Africa, Beko Thailand, Dawlance Pakistan, Singer Bangladesh

2023: Arçelik Turkey, Arctic Gaesti and Ulmi Romania, Beko LLC Russia, IHP Appliances Russia, Defy South Africa, Beko Thailand, Dawlance Pakistan, Singer Bangladesh, Arçelik Hitachi (Thailand and China operations), VoltBek India

² Coverage of freshwater and wastewater data:

2022: Arçelik Turkey, Arctic Gaesti and Ulmi Romania, Beko LLC Russia, Defy South Africa, Beko Thailand, Dawlance Pakistan, Singer Bangladesh

2023: Arçelik Turkey, Arctic Gaesti and Ulmi Romania, Beko LLC Russia, IHP Appliances Russia, Defy South Africa, Beko Thailand, Dawlance Pakistan, Singer Bangladesh, Arçelik Hitachi (Thailand and China operations), VoltBek India

³ The pertinent data is at the external audit stage as part of the Arçelik 2024 Integrated Report preparation process. Audited data can be accessed from the Arçelik 2024 Integrated Report: (🔗 www.arcelikglobal.com/en/company/reports-presentations/).

Biodiversity

Arçelik considers biodiversity loss to be one of the global issues subject to a variety of pressures. The company has conducted a biodiversity risk assessment, addressing nature-related impacts and dependencies based on emerging frameworks.

Arçelik is committed to improving its No Net Loss biodiversity footprint by 2050, particularly in certain priority areas like those in proximity to critical biodiversity conservation zones.

Arçelik aspires to conserve biodiversity through efforts focused on its commitments, recognizing the vital significance of natural ecosystems for all. It is aimed at enhancing biodiversity on the Arctic Ulmi factory's site, in proximity to the key biodiversity area known as Natura 2000, by 2027. Enhancements will be achieved by carrying out actions to alleviate pressures on biodiversity and support the natural development of habitats.

Prevention of Deforestation

Forests play a crucial role in enhancing resilience while providing natural solutions to various worldwide challenges, ranging from climate change to the loss of biodiversity and upcoming environmental crises.

Arçelik is committed to eliminating deforestation in its supply chain. The Arçelik Biodiversity and No Deforestation Policy¹ is intended to prevent practices that impact deforestation across the value chain. As a result of

assessing the practices, the primary emphasis appeared on paper and wood-based packaging materials utilized in product packaging.

Arçelik commits to avoiding significant deforestation caused by its operations until 2050.

Product Management

Environmental Footprint-Reduced Products

Arçelik supports more productive and efficient use of natural resources by incorporating its responsible production and responsible consumption approach into all of its manufacturing processes.

In 2024, the company maintained in its endeavors to enhance the use of recycled plastic in its products to reduce the use of materials in its products, expand the use of recycled/recyclable materials in product packaging, incorporate biocomposite materials in products, and develop energy- and/or water-efficient products. The data on the subject projects can be accessed from the Arçelik 2024 Integrated Report: (© www.arcelikglobal.com/en/company/reports-presentations/).



¹© <https://www.arcelikglobal.com/media/7372/biodiversity-no-deforestation-policy.pdf>

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Products Using Recycled Plastics and Biocomposites

Type of recycled plastic	Details	Products containing recycled plastic in 2024
Recycled PET containers	Arçelik's innovative "Leopet" material, created through the recycling of discarded PET containers, transforms waste plastic into a valuable alternative raw material.	Washing machines, washer-dryers, laundry dryers, dishwashers, air conditioners
Recycled fishnets	Innovative recycled material formulations make it possible to transform discarded fishing nets and synthetic yarns into raw materials useful in the production of high-performance polyamide components.	Ovens, dishwashers, washing machines
Recycled synthetic yarns		
Recycled plastic from Arçelik packaging waste	Polyethylene-based packaging waste created during the transport and delivery of appliances is recycled.	Dishwashers, refrigerators
Recycled plastics from Arçelik WEEE recycling facilities	Plastic components from discarded dishwashers are separated and recycled. These parts are sent to our WEEE recycling facilities and subsequently used as recycled polypropylene in the fan components of our dishwashers.	Dishwashers
Blending recycled graphene from tires and polyamide from yarns	Graphene from recycled tires is integrated into an innovative recycled polyamide (PA) material, enhanced with pioneering formulations developed by our R&D teams. This initiative marks the first use of recycled plastic in washing machine drum components, traditionally dominated by petroleum-based plastics.	Washing machines

Type of recycled plastic	Details	Products containing recycled plastic in 2024
Recycled plastic used in small household appliances	Instead of using virgin plastic, we incorporate recycled plastic in our small appliances. This helps to reduce waste and lessens the overall environmental impact of our products.	Vacuum cleaners, Bluetooth speakers, personal care products, toasters
Recycled ABS plastic from post-consumer sources (PCR): Dishwashers	<p>For the first time, recycled ABS plastic is being used in the panel components of certain built-in dishwasher models. This completely eliminates the need for these components to be painted. As a result of this innovation:</p> <ul style="list-style-type: none"> • More recycled plastic is used and • environmentally harmful paint chemicals are avoided • Eliminating the painting process optimizes production time • Energy is conserved <p>This approach supports realization of our sustainability objectives by reducing environmental impact and improving production efficiency.</p>	Dishwashers
Recycled ABS plastic from post-consumer sources (PCR): Laundry dryers	100% recycled PCR ABS plastic is used in the production of user-visible laundry dryer components that need to be aesthetically appealing but also highly durable because of their function. Besides combining aesthetic quality with environmental sustainability, this also helps support circular-economy practices.	Laundry dryers

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Small Home Appliance Manufactured From High-Performance Recycled Plastic

The company reuses EOL plastics, reducing carbon emissions compared to manufacturing with virgin, petroleum-based plastic. We incorporate recycled plastic into various product categories: Bluetooth speakers (select models) contain 90-100% recycled plastic, vacuum cleaners (select models) use 23-61%, men's grooming sets (select models) feature 44-72%, and toasters (select models) utilize 37-47%.

Bio Refrigerator Projects

Incorporating both bioplastic components and bio-based polyurethane in its design and manufacture, the Bio Refrigerator was unveiled for the first time at IFA 2019, where it attracted great attention and much favorable feedback. A version of this refrigerator containing bioplastic components but no bio-based polyurethane is currently on sale in Turkey and the UK as well as in many other countries. The version featuring bio-based polyurethane insulation has started to be sold in the UK market as of the first quarter of 2023. In the new version of the refrigerator exhibited at IFA 2023 and EuroCucina, the total bioplastic content in the product reached 50% through the use of 85% bio-based bio-HIPS in the inner body and 95% bio-based bio-GPPS in the door shelves and crisper covers. With its increased bio-based content, this bio refrigerator has a 37% reduced carbon footprint compared to the petroleum-based version while maintaining the same performance, quality, and functionality as plastic.

Small Household Appliances Containing Bioplastic Material

Arçelik utilized 38% bio-PP raw material derived from waste oil and its derivatives through the innovative biomass balance approach method, to reduce the use of petroleum-based plastic raw materials in the outer plastics of the 2-in-1 fryer product (Beko FRL 5388 B). Unlike traditional fuel-based plastics, bio-PP has a significantly reduced ecological impact since it allows waste vegetable oils to be seamlessly integrated into the production process. Utilizing bio-PP reduces the carbon footprint of the product components by 6% compared to using primary PP.

Sustainable Packaging

The company is focused on reducing resource consumption and on using recycled/recyclable materials in the management of its packaging processes. While products are designed so as to permit both the volume and the weight of their packaging to be optimally minimal, the company also engages in ongoing efforts to increase the percentages of recycled/recyclable materials that go into such packaging so as to reduce its across-the-board environmental impact.

Aligned with its agile management methodology, the company oversees the transition to sustainable packaging alternatives through the participation of a working group comprising the entire factory and Central R&D. Efforts are made to substitute packaging materials with sustainable

The company is focused on reducing resource consumption and on using recycled/recyclable materials in the management of its packaging processes.

alternatives, with a specific focus on adopting recyclable and recycled cardboard alternatives for major and small household appliances instead of utilizing Expanded Polystyrene (EPS).

We have eliminated EPS packaging entirely for some small household appliances. In 2024, we extended this initiative to large appliances as well. Several product categories, including ovens, cooktops, kitchen hoods, dishwashers, washing machines, laundry dryers, and refrigerators, now feature at least one model each that is available in EPS-free packaging. Below is a summary of studies on using materials with reduced environmental impact in product packaging. The data on the studies conducted in 2024 can be accessed from the Arçelik 2024 Integrated Report: (www.arcelikglobal.com/en/company/reports-presentations/).



Area of Application	Standard Material	Sustainable Material Alternative
Outer Box	Cardboard	Recycled Cardboard
Styrofoam	Expanded Polystyrene (EPS)	Recycled Cardboard Derivatives and Molded Pulp
Strip, Shrink Film	Various Types of Plastic	Types of Recycled Plastic
Accessory, Product Bag	Various Types of Plastic	Types of Recycled Plastic or Paper Bags

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Recyclability of Products

The company designs recyclable products to minimize their environmental impact. Furthermore, the primary focus remains on improving product recyclability and demountability.

The recycling rates of raw materials and materials used in Arçelik products and Arçelik products can be found in the 2023 Sustainability Report, and the developments in 2024 can be found in our 2024 Integrated Report. (🔗 www.arcelikglobal.com/en/company/reports-presentations/).

Waste Electrical and Electronic Equipment (WEEE) Recycling Plants

Arçelik satisfies all regulatory requirements pertaining to the management of waste electrical and electronic equipment (WEEE). As part of its extended producer responsibility commitments, the company established WEEE recycling facilities in Eskişehir and Bolu back in 2014 to promote the recovery of economically useful materials from EOL products.

To ensure resource efficiency and sustainability, EOL refrigerators are recycled in Eskişehir and other EOL white goods and small home appliances are recycled in Bolu. The recovered materials are made economically useful. The Eskişehir plant also has the distinction of being the first recycling facility in Turkey qualified and authorized to collect and contain the ozone-layer depleting chlorofluorocarbon (CFC) refrigerants that were used in refrigeration systems before. Between 2014 and 2024, Arçelik's Eskişehir and Bolu WEEE recycling plants processed a total of 1.86 million units and conserved 543GWh of energy while also preventing the release of 267,600 tons of CO₂ into the environment. The replacement of outmoded-technology appliances with new ones whose environmental footprints are smaller also conserved 8.9 million tons of water.

In countries other than Turkey where it has operations, Arçelik fulfills its extended producer responsibilities for WEEE management in partnership with licensed firms and organizations.

The company tracks the standards and certification processes in Turkey and around the world regarding energy-efficiency and lifecycle analysis of products. Detailed information can be accessed from the Arçelik 2024 Integrated Report: (🔗 www.arcelikglobal.com/en/company/reports-presentations/).

Green Financing

Arçelik guides every aspect of its operations with a strong focus on sustainability, extending this approach to its financing model.

For detailed information about sustainable financial instruments, see "2024 Investments" section (📄 page 58-59).



Between 2014 and 2024,
Arçelik's Eskişehir and Bolu WEEE
recycling plants processed a
total of 1,863,797 million units.

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Corporate Citizenship

At the root of Arçelik's good corporate citizenship approach lies the company's goal of leaving a better world for future generations to live in. Seeking to constantly improve its sustainability performance, Arçelik regularly evaluates its standing as a good corporate citizen and the environmental and social impacts of its sustainability efforts. Information about both standing and performance is shared with all stakeholders by means of Sustainability and Integrated Reports, corporate websites, and social media channels.

Having embraced sustainability as the core of its business model, Arçelik makes respect for people and the environment the touchstone by which it judges all of its business strategies and operations. In keeping with its "In Touch with Human Needs" mission, the company seeks to improve people's lives and to strengthen local communities by developing innovative products while also creating value through its social investments.

All 2030 sustainability goals the company identified within the scope of "In Touch with Human Needs" and details about the progress in 2024 in relation to these goals, can be found in Arçelik 2024 Integrated Report (© www.arcelikglobal.com/en/sustainability/sustainability-reports/).

Arçelik is committed to improving lives and empowering local communities through its activities in the areas of:

- gender equality
- quality in education
- supporting the entrepreneurship ecosystem
- supporting local communities
- sustainable living and environment

The company undertakes innovative and impact-oriented social responsibility projects designed to address the needs of people living not just in places where it conducts its operations but in other parts of the world as well. The company has also composed and published a Corporate Citizenship Policy in support of UN Sustainable Development Goals (SDGs) and regular updates in line with current global trends and needs. In all such efforts, the company focuses on dealing with global problems while likewise creating social and environmental value through its global brands, employees, and other stakeholders.

Arçelik's priorities in this respect comprise corporate social responsibility projects, corporate volunteering, and partnerships.

¹ Arçelik Corporate Citizenship Policy (© www.arcelikglobal.com/media/5758/22-07corporate-citizenship-policy_son.pdf)

At the root of Arçelik's good corporate citizenship approach lies the company's goal of leaving a better world for future generations to live in.

● Gender Equality

● Action Coalition

As a signatory of the United Nations Women's Empowerment Principles (UN WEPs), our company has been developing and implementing policies, programs, and projects to ensure gender equality across its entire value chain since 2017. In cooperation with the UN Women's Generation Equality Forum, in 2022 Koç Holding launched a gender equality movement in technology and

innovation. As a Koç Group company, Arçelik became a supporter of the Action Coalition platform and submitted three commitments to achieve concrete change in the technology and innovation field for women and girls worldwide. These commitments, which are to be achieved by 2026, consist of six objectives to bring about meaningful impacts in the empowerment of women and girls in technology and innovation-related functions, responsibilities, and positions.

Arçelik is featured in the UN Women Action Coalition Global Progress Report¹ due to its progress in achieving its goals:

1. Provide technology and design, IT, and software training to 100,000 girls (ages 10–14) in 81 provinces of Turkey by 2026 to reduce the gender digital divide (Digital Wings Project)

The project reached 71,337 students in total – 34,819 of them girls – in 81 provinces during the 2024–2025 academic year. (For details, see “In Touch with Human Needs” section, ⓘ p. 167.)

2. Implement our program in Arçelik's Romania, Pakistan, and South Africa operational facilities to support the career development of women engineers (WE-inTech Project)

In 2024, workshops and training programs were organized for 40 female engineering students within the scope of the global “WE-inTech” program held locally in Turkey. (For details, see “In Touch with Human Needs” section, ⓘ p. 166.)

3. Increase the number of women entrepreneurs in the dealer ecosystem by boosting the number of women dealers at Beko Turkey from 86 to 150 (Beko 100 Women Dealers Project/Her Business, Her Power)

In 2024, women dealers demonstrated their presence in 42 provinces and 93 districts in Turkey with 125 dealers and 151 stores. (For details, see “In Touch with Human Needs” section, ⓘ p. 170.)

4. Reach out to 1,000 women through global entrepreneurship programs and contribute every year to funds allocated to women entrepreneurs

Through the entrepreneurship programs organized in 2024, 87 women entrepreneurs have been reached.

5. Increase women employment ratio in science, technology, engineering and mathematics (STEM) fields at Arçelik from 16% to 35% across global operations by 2026 (HR programs and practices)

In 2024, the percentage of women employed in STEM positions in global operations increased from 21.3% to 21.5%. (For details, see “In Touch with Human Needs” section, ⓘ p. 166, and “In Touch with Business” section, ⓘ p. 195.)

6. Ensuring that 1,000 women receive technical training and begin working as technical service personnel at Arçelik Authorized Service Centers (500 Women Technicians Project)

Eight new training courses were conducted during 2024, adding another 70 female technicians to the company's authorized services-provision network. 734 female technicians have been trained since the inception of the project; the total number of women actively employed as technicians is 447. (For details, see “In Touch with Human Needs” section, ⓘ p. 166–167.)

¹ Generation Equality Forum Action Coalition 2024 Report: ⓘ <https://commitments.generationequality.org/accountability-report>

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●● WE-inTech

Arçelik seeks to create and maintain a working environment that encourages women to pursue careers in engineering and advanced R&D and in which tomorrow's women engineers and R&D professionals can advance themselves. At the same time, the company also draws women's attention to and stresses the importance of STEM subjects to career advancement.

In line with these aims, in 2019 the company launched a "You're an engineer, you're with us" project targeting young women enrolled in universities' engineering and sciences faculties. In 2022, the project's name was changed to "WE-inTech" and its vision was broadened to encourage young women in engineering curriculums to specialize in technology and R&D and foster awareness among them about STEM and advanced R&D careers. Workshops were carried out with junior and senior-year engineering students (ages 17-23) at universities. Following training programs and workshops held in various related subjects, the participants got the chance to work on an ongoing project with mentors from the company's mentor pool. Out of a total of 2,607 applications for seven workshops carried out since 2019, 307 students were selected.

In 2024, within the scope of the "WE-inTech" program, another workshop was organized with 40 students. The local workshop, which lasted for three days in June, brought together 40 female students from 19 universities in Turkey, enrolled in the 3rd and 4th years of engineering programs across 15 different disciplines. Following these events, the program continues with a one-year mentoring process, traineeship, and job opportunities. Along with mentoring, participants in this one-year program will also be given access to technical and personal development resources to support their career progression.



During the three-day workshop, organizers met with the participating company employees and quizzed them on such matters as technology and R&D, and also their own career dreams and objectives. Program training focuses mainly on current-agenda digital transformation and technology topics such as design thinking, data analytics, and agile project management. Making use of design-thinking methods, participants worked in teams to develop "home of the future" technology and product concepts and ideas.

Of the students who took part in the 2020-2023 rounds of the global WE-inTech program, two (2020), 12 (2021), three (2022), and two (2023) have since embarked upon careers as project assistants, project engineers, and engineers at the company.

●● 500 Women Technicians

The 500 Women Technicians project was initiated in 2020 when attention was drawn to the fact that a mere 1.5% of the technical employees working in approximately 600 authorized services-provision locations were women. Through the 500 Women Technicians project, the company focuses not just on increasing the number of women employees in its authorized services network but also on overcoming prejudices and assumptions that only men are capable of performing technical services.

734 female technicians have been trained since the inception of the "500 Women Technicians" project.

The project's model is informed by the principle of enabling employment and equal opportunity through skills transformation. With the introduction of the automated authorized services call center system, there also arose the possibility that women employed in office functions might have to be let go.

Such personnel were given the opportunity to take part in Arçelik Services Academy training programs to earn authorized services technician qualifications. This approach not only prevented those who completed the training from becoming redundant but also increased the percentage of women in the Arçelik authorized services-provision network.

Eight new training courses conducted during 2024 added another 70 female technicians to the company's authorized services-provision network. 734 female technicians have been trained since the inception of the project, and with 447 women actively employed as technicians.

● Quality in Education

● Digital Wings

The Digital Wings project was launched with the aim of familiarizing students (5th–8th grades) with new technologies and improving their 21st century skills. The project also aims to help reduce the vocational gender gap in business life in the long term.

Under the project, which targets the Information Technology and Software lessons in 5th and 6th grades, and the Technology Design lesson in 7th and 8th grades, content was created in robotic/coding and product design processes. The books created for this project help strengthen the students' technological literacy, and develop their creative problem-solving skills by engaging them in assignments. Thanks to the project carried out in



cooperation with the Ministry of National Education, the technology design course book for 7th and 8th graders was brought into education for the first time.

During the 2024–2025 academic year, the project reached 71,337 students in total – 34,819 of them girls – in 81 provinces throughout 2024.

● Prep

Our company continues to bring young talents to the Information Technology Department through the "Prep" program, believing in the power of technology. This long-term training program aims to develop the competencies of young talents, prepare them for the future, and make them part of the digital transformation. In collaboration with universities across Turkey, various technical training programs and free English language learning opportunities are offered to students of computer science, software, and industrial engineering.

During the 2023–2024 period, the Prep program made significant progress, expanding from 2 universities to 12, providing comprehensive development opportunities to 3rd and 4th-year students in preparation for corporate

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life. In its 4th term of the program, a total of 78 students successfully graduated, starting their careers in the world of information technology as well-equipped professionals.

The program has collaborated with Bilkent University, Bolu İzzet Baysal University, Celal Bayar University, Ecole 42, Ege University, Eskişehir Osmangazi University, Eskişehir Technical University, Firat University, Gebze Technical University, Istanbul Technical University (ITU), Malatya İnönü University, Namık Kemal University, TOBB University, and 42 Schools.

●● Leadership at Work, Equality in Internship

The “Leadership at Work, Equality in Internship” program, designed to enhance the representation of women in economic and social life, is an internship program conducted at our authorized dealers and authorized service centers. Exclusively involving female candidates, the program aims to raise awareness about gender equality in the retail and after-sales services sectors, while increasing the representation of women in these fields. The initiative is driven by the need to create social value by expanding women’s presence in both economic and social spheres. Throughout the six-week program, female interns gain hands-on experience in various areas such as technical training, sales, product knowledge, marketing, campaign management, and customer relations, while being physically present at authorized dealers and service centers. They also acquire essential skills such as finance, product training, neuro-marketing, stress management, and Koç Academy training via online platforms, along with MS Office training. The “Leadership at Work, Equality in Internship” program, targeting female university seniors or recent graduates, was implemented for the first time in various cities across Turkey in 2022.



● A Grade for the Future!

With our “A Grade for the Future!” project, tailored for the children of company employees in Turkey as well as the children of Arçelik and Beko authorized dealer and service employees attending public middle schools, weekly online mathematics lessons were provided to 544 students during the 2023-2024 academic year, delivered by a team of volunteer instructors from within the company.

The objectives of this project are as follows:

- To provide support, particularly in mathematics and English, to enable children to progress beyond their current levels.
- To encourage and support, in particular, the female students in STEM fields.
- To strengthen the connection between Arçelik, its employees’ children, and the children of our dealers and service centers.
- To foster a strong sense of social responsibility, especially among the younger generation within the company, and to provide educational support to students in need.

To support the strong presence of female students in STEM fields, all female applicants were ensured participation in the program, with female students comprising 65% of

Our “A Grade for the Future!” project was provided to 544 students during the 2023-2024 academic year, delivered by a team of volunteer instructors from within the company.

the enrolled students. With our employees volunteering as instructors in mathematics and English, the project has become a valuable initiative benefiting the entire ecosystem. As of 2024, the project has grown and expanded to include other companies of the Group.

● First Step Development Program

The “First Step” is a development program designed for university sophomores who are the children of Arçelik and Beko authorized dealers and service center owners in Turkey. The content of this program has been designed in alignment with the company’s changing strategy, commercial transformation journey, and retail vision. The program aims to provide our business partners’ children who study at universities with the opportunity to acquire a more profound insight into Arçelik Pazarlama A.Ş., understand the evolving retail vision, and have the opportunity to closely observe the company’s current and future strategies. This initiative aspires to equip the new generations with the experience and perspective to evaluate their families’ businesses within the framework of sustainability.

Contents have been tailored to support participants in developing their professional skills and competencies at the beginning of their career journeys. Projects that the participants will work on throughout the program have also been identified, and aligned with the company’s transformation and future modern retail strategies. Each year, participants work on the designated projects in groups of four or five people.

The First Step Development Program was launched in 2020. The program comprises the Koç Holding Academy online portal, internal and external online training sessions, coaching programs conducted by company employees with coaching training, introductions to strategic company units,

and sessions featuring inspiring speakers with expertise in their fields. The knowledge and leadership skills of our experienced managers and colleagues contribute to the program.

The First Step Development Program stands out as a pioneering initiative, being one of the first of its kind in Turkey and within the industry. The program has been awarded Silver and Bronze medals by Brandon Hall Group and Stevie, two of the world’s leading organizations for international research, analysis, and recognition. Additionally, the program was entitled to receive the Gold Statue at the 2022 Sales Network Türkiye Best Sales Awards.

● Erasmus+ VET Learner and Staff Mobility Accreditation and Vocational Education Mobility Project

Erasmus+ Accreditation is a tool developed for educational institutions and commercial concerns that are interested in cross-border exchanges and cooperation in vocational and technical education. Under the program, with the purpose of supporting professional and personal development, entities may send students pursuing vocational education, employees, and personnel responsible for their vocational training to participating countries, and in some cases, to other countries, for such purposes as taking part in skill-acquisition, traineeship, OJT, courses, skill-testing, teacher training, instructor training, master-educator, and similar programs and assignments for between two and 365 consecutive days (inclusive), depending on the type of the activity.

In this context, Arçelik has been awarded Erasmus+ Accreditation and became a body accredited by the EU. This accreditation entitles institutions and businesses to take part in Vocational Education and Training (VET)

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Learner and Staff Mobility programs on a long-term basis and also to receive regular grants in support of mobility activities.

Under the accreditation program, the company organized 12 different vocational education sessions that added up to 54 days for service technicians and sales staff across 11 countries in 2024.

In addition, Arçelik dispatched 68 students and 17 instructors from İstanbul Atalar Vocational and Technical Anatolian High School, İstanbul Sultanbeyli Multi-Program Anatolian High School, Eskişehir Atatürk Vocational and Technical Anatolian High School, and Bolu Mimar İzzet Baysal Vocational and Technical Anatolian High School, to various manufacturing facilities and work places in Romania, Czechia, and France, where 65 and three students undertook traineeships of 21 and 90 days, respectively. The participants had an opportunity not only to familiarize themselves with the latest technology and develop their own knowledge and skills, but also to become acquainted with other cultures.

● Supporting The Entrepreneurship Ecosystem

● Beko 100 Women Dealers/Her Business, Her Power

Seeking to strengthen the social and economic presence of women in the entrepreneurial landscape and to support their success, the Beko 100 Women Dealers project was initiated in 2019. This project is informed by Koç Holding's gender equality principles, is intended both to overcome prejudices that only men are capable of being dealers and to encourage women to go into business for themselves. As the 100 women dealers goal was already reached in 2023 with the Beko 100 Women Dealers project, the Project was renamed "Her Business, Her Power" from October 2023.

Beko dealerships are presented as sustainable, profitable, long-term investment opportunities that benefit from the support of the dealership ecosystem. Because this project aims to support and facilitate women's efforts to go into business, participants receive a package of dealership premises' location and decoration, rent assistance, merchandising, advertising, social media, store-specific activity, e-commerce, product storage for a fixed period of time, free external delivery for a fixed period of time, and discounts on in-store displays, materials etc. The entrepreneurs also benefit from financing, products, and sales training and mentoring resources. Applications to become a Beko dealer are submitted by means of an online form available on Beko's website, and then face-to-face interviews are held. Under the "Her Business, Her Power" project, the percentage of women-owned businesses in the dealership network has increased from 1% to 10%. There are now 125 women dealers with 151 store premises in 93 districts in 42 provinces. 51% of the people employed in these stores are also women.



By the end of 2024, our sustainability-focused video game DOMINO had reached over 500 million individuals through global and local launches.

● Sustainable Living and Environment

● DOMINO: The Little One

DOMINO: The Little One was introduced in 2023 with the goal to “support sustainable lives in every household”, to create awareness of environmental issues in the community with particular emphasis on the climate crisis, and to encourage greater sensitivity towards the issue by reaching out to various target groups.

DOMINO: The Little One is a sustainability-focused video game divided into four chapters. With its dramatic visual world and engaging narrative, it aims to raise awareness about individual actions that can address critical issues impacting ecosystem sustainability, such as plastic, air, and water pollution, carbon emissions, ecological imbalance, genetically modified foods, and deforestation, and it also calls on everyone to take action.

The game became accessible on November 23rd 2023, for Windows, iOS, and Android devices.

By the end of 2024, DOMINO had reached over 500 million individuals through global and local launches, with more than 170,000 players adding the game to their libraries. Additionally, 80% of reviews on various platforms were positive.

● Arçelik Energy Solutions Truck

Through the Arçelik Energy Solutions Truck roadshow, Arçelik's business was showcased to the B2B channel across 20 stops. Covering more than 25,000 kilometers, the Truck and the Expert Team presented Arçelik's energy solutions, the Green Deal, and the potential of solar energy for efficiency to over 500 individuals from more than 300 companies. During the roadshow, solar panels, electric vehicle chargers, inverters, SunJunior energy storage systems, and solar UPS devices were exhibited. The

truck's entire energy needs were met by eight solar panels installed on its roof and the SunJunior energy storage system.

● Arçelik Energy Solutions House

With the Arçelik Energy Solutions House, awareness of the product range has been increased among the B2C audience, showcasing how easy and essential it is to have an energy-independent structure through the use of solar panels, the SunJunior energy storage system, heat pumps, electric vehicle chargers, and HomeWhiz-enabled white goods. The Energy Solutions House hosted visitors for a total of 45 days at Kalamış Marina and Bağdat Avenue.

● Grundig Respect Food, Respect Planet

Grundig seeks to inspire people to take steps for a more sustainable future while always remaining committed to the principles of sustainability, quality, and aesthetics that are the essential inputs of its growth. Imagining a better future, Grundig keeps a close watch on technological changes and developments as they continue to evolve. For Grundig, “A better future starts at home” because as a company it believes that a sustainable future begins with the values we all learn at home and with the first steps that we take there.

In line with this, Grundig aims to encourage people to work for a better future in their daily lives through its technology, partnerships, and communication efforts on the back of its vision “Respect Food” and “Respect Planet”, and to be respectful of the environment and food.

The Better Future-inspired technologies that Grundig develops help people be more responsible consumers.

From the perspective of “Respect Planet” energy-efficient appliances, washing machines whose components are made from recycled PET bottles, microfiber filtration

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technologies that help protect water resources from plastic pollution, technologies that prioritize maximum efficiency in the consumption of resources such as water and energy, and 100% recyclable packaging give consumers access to environmental footprint-reduced products and technologies that contribute to the circular economy. Through the advertising investments that it makes in such products and technologies, Grundig strives to create and promote consumer awareness and conscious behavior.

Committed to its Respect Food philosophy, Grundig undertakes projects to promote responsible food consumption among consumers in response both to the increasing prevalence of food waste in today's world and the need to do something about it. While taking part in many such projects at both the national and the international levels, Grundig also engages in R&D to explore and develop new technologies that will help prevent food waste.

As a result of such efforts, the company has come up with refrigerator technologies that reduce food loss by keeping food fresher for longer and with cooking technologies that help ensure food is perfectly cooked and doesn't have to be thrown away because it is burnt, overcooked, or undercooked. As a global brand with an ecofriendly image, Grundig also engages in idea-sharing, awareness-creation, and mobilizing communications that draw attention to the dimensions of food waste and invite everyone to do their part.

●● Joining Forces for Sustainability with Massimo Bottura and Food for Soul

Chef Massimo Bottura, who has represented Grundig's values of quality, aesthetics, and sustainability since 2018, has continued to be the voice of the brand and raise awareness in 2024 in his role as brand ambassador. Recognized as one of the "100 Most Influential People" by

TIME Magazine and appointed as a Goodwill Ambassador by the United Nations Environment Programme, Bottura contributes to shaping Grundig on the path to sustainability.

Within the framework of its collaboration with "Food for Soul" since 2016, Grundig supports global efforts to reduce food waste. Grundig has helped rescue 2,394 tons of food from going to waste and provided 3,762,300 meals through 12 projects in 9 countries, while also promoting the expansion of Food for Soul's soup kitchens and initiatives.

● Special Campaigns for World Food Day

Around World Food Day, which it acknowledges by drawing attention to food waste through special campaigns every year, Grundig released the "Food Saved Me" campaign in 2023. In this campaign, stories from the Refettorios (soup kitchens) set up by Food for Soul are told by joining forces with those who have the same concerns about food. Revealing the value of food, individuals' authentic stories are used to explain how food waste is prevented in these soup kitchens, the importance of this, and how food transforms people's lives. Emphasis was placed on the importance of food, on the need to reduce waste, and different aspects of food.

● Grundig Turkey

Initiated by Grundig Turkey in 2017 and intended to inspire a sustainable lifestyle, the "Ruhun Doyusun" (Feed Your Soul) platform with 600,000 members transported its "Respect Food Movement" communication efforts to social networks in 2024. With the photos, videos and new content created in 2024, more information was shared with consumers about the precautions that can be taken against food waste. For this campaign carried out via the platform, Turkey's first AI-based Instagram ChatBot in

Grundig has helped rescue 2,394 tons of food from going to waste and provided 3,762,300 meals through 12 projects in 9 countries.

this area was created in 2023. In cooperation with Meta, attention was drawn to topics to reduce food waste with the tagline “Çöpe atma, Emoji at”, which literally translates as don’t throw it in the bin, send us an emoji instead. When a food emoji was sent to Ruhun Doysun’s Instagram account, the user received food waste prevention tips under the headings “usage”, “recipes”, and “storage”. The recipes were used to publicize the Grundig products that can be used in their preparation. During the campaign, 331,000 emojis were sent with the colossal achievement of 38 million interactions. This campaign earned Grundig Turkey Felis and MMA Smarties awards.

The “Ruhun Doysun” platform, which Grundig Turkey launched in 2017 intending to inspire a sustainable lifestyle and which has reached 600,000 individuals, continues its “Respect Food Movement” communication on social media in 2024. Thanks to photo and video shoots and the creation of new content in 2024, consumers are provided more information on what can be done against food waste.

In 2023, through the “Ruhun Doysun” platform, a collaboration with Meta led to the creation of Turkey’s first AI-based Instagram ChatBot under the slogan “Don’t Throw It Away, Send an Emoji” to reduce food waste. When a food emoji was sent to Ruhun Doysun’s Instagram account, the user received food waste prevention tips under the headings usage, recipes and storage. The recipes were used to publicize the Grundig products that can be used in their preparation. During the campaign, 331,000 emojis were sent with the colossal achievement of 38 million interactions. A total of 24 tons of food waste has been prevented, and approximately 5K products have been sold through Mediamarkt and Trendyol. This campaign was presented as a project at Meta House in Cannes. In addition, Grundig Turkey has won a total of 8 awards at MMA Smarties and Mixx with for campaign.

At the end of 2023, Grundig opened its first experience store at MediaMarkt Lighthouse in Marmara Park AVM, Istanbul. The Grundig logo in the experience area, designed to inspire sustainable living, was crafted using materials sourced from waste electrical and electronic equipment facilities at Back2Life -Arçelik’s sustainable art workshop aimed at raising awareness about recycling. The Grundig experience area features ecofriendly products and technologies, such as a dishwasher with basket accessories made from seashell-based bioplastic, a PET Tub washing machine with a drum crafted from recycled plastic bottles, and a washing machine equipped with the world’s first FiberCatcher technology, which filters up to 90% of synthetic microfiber particles released during washing. In the section showcasing products like PET Tub washing machines made from over 60 recycled PET bottles and Bluetooth speakers crafted from 100% recycled plastic, visitors can explore and experience innovative, planet-friendly products and technologies, starting from their R&D processes. In 2024, the Outdoor Speaker Family, made entirely of 100% recycled plastic, was introduced to consumers in the experience area. The “Reggae Underwater” advertisement, created for this water- and dust-resistant product family, won the Crystal Apple award in the “Durable Consumption” category.

● Beko Global Healthy Living and Sustainability Communication Efforts

Over the course of its six decades in business, Beko has always been a shining beacon of product innovation both for its customers and for the world. Beko sees its “reason for being” as one of helping future generations enjoy a better life in a more habitable world through the proliferation of beneficial technologies. In line with this, the brand strives to come up with and deliver technologies and solutions that help protect human and environmental health and wellbeing. Beko offers consumers a wide range

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of home-appliance solutions from health-protecting technologies that preserve foods' nutritional values for longer on the one hand, to healthier and more effective cooking methods on the other. Believing that healthy living is possible only in a healthy world, Beko gives consumers access to technologies that will help protect the planet. Products made using recycled and/or biodegradable materials as well as energy and water-efficient technologies not only promote conscientious resource use but also help reduce carbon footprints.

In the same vein, Beko also conducts campaigns intended to help consumers lead a healthier life, promote consumers' mindfulness about environmental problems, and stir them into action. Communications in 2024 aimed to publicize the company's healthy technologies to consumers, convey the company's sustainability actions, make individuals aware of their carbon footprints, and prompt them to do something about reducing their carbon emissions. Beko will continue to enter into partnerships and undertake initiatives to advance its "healthy living on a healthy planet" movement.

Corporate Volunteerism

Corporate volunteerism, one of the key pillars of our corporate citizenship strategy, significantly contributes to all areas where we strive to create value through prioritizing environmental and social initiatives. In this context, we focus on raising employee awareness, enhancing their skills through education and training, and delivering tangible benefits through activities we organize. 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 Beko 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.

Aligned with its strategic priorities, Beko has developed and implemented projects in key areas such as Gender Equality, Technology and Digitalization, Education and Equal Opportunities, and Sustainable Living. To generate new project ideas in these areas, design initiatives, and contribute to the environment and society, Beko actively promotes in-company volunteering activities. Volunteer groups known as "Beko Volunteers" have been established across various countries on a global scale, facilitating effective volunteering activities through these groups. Following the earthquake disaster in Turkey in February 2023, Beko Volunteers have dedicated their efforts in 2024 to supporting four Umut Kent container cities established in the earthquake-affected region, aiming to assist local communities and enhance the sense of solidarity.



Beko PLC is collaborating with Barnardo's to provide essential home appliance support to disadvantaged families.

Active participation has been ensured in the "Koç Volunteers" initiatives established under Koç Holding and its group companies and in volunteer activities coordinated by Koç Volunteers. Additionally, contributions have been made to efforts to promote and standardize corporate volunteering practices within the Group.

A coat donation campaign was organized for children in Malatya and Adıyaman, resulting in the procurement and distribution of winter coats to approximately 1,000 children, facilitated by employee contributions.

Our volunteers stood alongside the residents of Adıyaman Umut Kent during memorial events held on the anniversary of the February 6th 2023 earthquake.

As part of the "Support for Education Project", our colleagues, serving as volunteer instructors, provided online course support in Turkish, mathematics, English, and science to middle school students residing in Umut Kent container cities.

On March 9th 2024, during Ali Koç's visit to Kahramanmaraş Umut Kent and in collaboration with Fenerbahçe Sports Club, Beko Volunteers took part in distributing Ramadan packages, toys, and uniforms to students attending Umut Kent schools.

As part of the celebrations for April 23rd National Sovereignty and Children's Day, children's festivals were organized at the Umut Kent container cities in Adıyaman and Malatya. The event, attended by over 2,000 children, celebrated April 23rd Children's Day with great enthusiasm. Koç Volunteers, along with 20 Beko Volunteers, distributed gifts to the children residing in Umut Kent.

On October 29th Republic Day, gifts were distributed to the residents of Adıyaman Umut Kent to address their winter needs, and our volunteers participated in the enthusiastic celebrations of Republic Day.

Global Social Responsibility Initiatives

Beko PLC and Barnardo's Collaboration

The long-standing partnership between Beko PLC and Barnardo's has now reached its 11th year. Through this collaboration, Beko PLC provides essential household appliances to support disadvantaged families. Since the partnership began in 2023, Beko has donated over 1,000 appliances.

In 2024, Beko PLC has extended its support to the Gap Homes Scheme, an initiative developed by Barnardo's aimed at providing essential support to young adults transitioning out of social care and equipping them for independent living. The donated household appliances can make a significant difference in assisting individuals in independent accommodation to develop essential life skills. Utilizing these appliances enables individuals to acquire vital skills in cooking, cleaning, and household management, all of which are crucial for fostering independent living. This type of support not only builds self-reliance but also enhances confidence as individuals transition to independent living following their time in social care.

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Dawlance

In 2024, Dawlance continued to fulfill its sustainability mission with a commitment to fostering positive change. Guided by its vision, “Progress Today, Preserve Tomorrow,” Dawlance promotes sustainable living by implementing initiatives in plantations, recycling, responsible consumption, and youth development. Dawlance has maintained its “Bondh-e-Shams Oasis Box” program, providing clean drinking water to 10,000 people daily. Through grocery store refrigerator donation points, food collected was redistributed by the Robin Hood Army, resulting in 17,000 meals for underserved communities.

Dawlance, in collaboration with Pink Ribbon, has conducted initiatives to raise awareness of breast cancer, providing training sessions for 500 female employees, donating a portion of October sales, and offering free medical consultations. Furthermore, the SOS Rahnuma Program, executed in collaboration with SOS Children’s Village, has provided mentoring assistance to young people and fostered a supportive environment for their development. Dawlance, through these initiatives, reinforces its social leadership with the vision of empowering communities and supporting sustainable progress in Pakistan.

Defy Solar Off-Grid Community Development Project

Defy continues its commitment to corporate social responsibility through the “Solar Community Project” in Umlazi, conducted in partnership with Taking Care of Business (TCB), a South African NGO. This initiative addresses the energy access issues faced by under-resourced communities through Defy’s Solar Off-Grid range of innovative solar-powered refrigerators and freezers that operate independently of the national power grid. These appliances support daily needs and economic resilience by providing reliable refrigeration to households, small businesses, and educational institutions in regions prone to frequent power outages.

The primary objective of the project is to enhance access to energy in Umlazi while ensuring the community’s self-sufficiency and long-term resilience. The project supports economic continuity and food security, even during power outages, by providing dependable refrigeration solutions to local businesses and households. This opportunity particularly benefits small and medium-sized enterprises (SMEs) in the town, enabling them to sustain their operations while reducing food waste, which is essential for economic development.

Defy’s Solar Off-Grid range represents a substantial investment in sustainable technology, aligning with the company’s overarching commitment to environmental responsibility. The appliances leverage solar energy, reducing reliance on traditional power sources, reducing energy costs, and minimizing environmental impact. The project also conveys Defy’s vision for a future in which

Dawlance has maintained its “Bondh-e-Shams Oasis Box” program, providing clean drinking water to 10,000 people daily.

clean energy solutions are accessible to everyone, ensuring that even underserved communities can benefit from advancements in energy-efficient technology.

The impact of the Solar Community Project will be closely monitored to scale similar initiatives to other communities across Africa. By providing solutions to pressing energy challenges through sustainable innovation, Defy demonstrates the potential for positive social and economic outcomes led by business. Through such initiatives, Defy continues to pave the way for a greener, more resilient future by supporting both its responsible innovation mission and its commitment to empowering local communities.

Elektrabregenz’ Partnership with Pro Juventute in Austria

Elektrabregenz has been providing uninterrupted support to Pro Juventute’s socio-therapeutic residential communities for almost 14 years through a holistic corporate social responsibility approach. The Austrian team, committed to supporting the children and young people in this area, provides around 70 household appliances free of charge annually. In 2024, Pro Juventute’s second socio-therapeutic residential community became operational in Vienna. This socio-therapeutic residential community on Emilie-Flöge-Weg provides accommodation for six individuals – children and young people who are unable to be accommodated in a standard residential community due to intricate issues. Elektrabregenz not only donates all the appliances necessary for the project but also contributes to the further fundraising efforts for the charity auction gala organized by Pro Juventute.

Singer Bangladesh

Celebration of the Independence Day of Bangladesh

Singer Bangladesh Limited believes in the importance of going beyond merely celebrating, making a tangible difference. On Independence Day, in partnership with the SOS Children’s Village of Bangladesh, 106 children were supported and provided with the essential resources for a brighter future. This initiative celebrates the heritage with a meaningful social contribution while aligning with the company’s commitment to the SDGs.



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Singer Bangladesh's Collective Effort to Aid Flood-Affected People

The severe floods that occurred in the eastern and southeastern parts of Bangladesh in late August 2024 directly affected many branch managers, store employees, staff, and business partners of Singer Bangladesh. In response to this situation, Singer Bangladesh employees demonstrated great sensitivity by contributing one day's salary to support their colleagues and families affected by the flood.

The funds raised were utilized to provide cash assistance to employees and business partners affected by the floods, and this prompt and considerate gesture was met with deep gratitude. A portion of the funds was donated to a national relief fund, thereby further expanding the reach of the aid.

VoltasBeko

VoltasBeko aims to increase the proportion of women employees in every department in order to ensure that women and men have equal opportunities in economic life and to eliminate gender stereotypes based on jobs. The company has increased women's employment at workstations such as welding, metal forming, and assembly lines, where men are predominantly employed.

As of 2024, the percentage of women working in the washing machine production line has increased from 50% to 60% compared to 2023. Similarly, the percentage of hourly-paid women operators working in refrigerator production at VoltasBeko has increased from 41% to 52%. VoltasBeko is committed to increasing the number of women employees not only in the production line but

also in the company staff. The percentage of women employees, which was 2% in 2023, has increased to 15% as of 2024.

Furthermore, VoltasBeko prioritizes not only diversity but also the recruitment of employees with different talents in various departments, and technical and administrative positions of the factory. These employees were supported and provided with training tailored to their talents, thereby enabling them to become independent and employable individuals. In this context, 20 employees were successfully included in the hourly-paid staff.

VoltasBeko promotes a culture of supporting one another by hosting the annual "Joy of Giving" festival, through the contributions of its employees. At the festival, children's clothing and toys in good condition, and school supplies, food, and hygiene products are donated. These donations are delivered to local NGOs and distributed by them to individuals in need in Sanand and Ahmedabad.

VoltasBeko remains committed to environmental stewardship in alignment with the principles of sustainable living. In 2024, over 600 saplings were planted at the Sanand factory campus to demonstrate environmental awareness. VoltasBeko also provides a range of opportunities for students. In 2024, factory tours were arranged for over 300 students in Ahmedabad and nearby regions, where they received training on the technical aspects of the production process and safety protocols within the factory. Furthermore, over 45 students received training through the National Apprenticeship Promotion Scheme (NAPS), an initiative led by the Government of India aimed at enhancing the employability of youth. The scholarships and associated expenses provided to students under this initiative are funded by the government.

Community Development and Partnerships

Supporting Local Communities and Partnerships

Through the partnerships that it enters into, the projects that it undertakes, and the activities that it sponsors, Arçelik strives to come up with solutions that address the needs of local communities. The company has adopted and published a Civil Society Cooperation Policy¹ that sets out the criteria by which it selects the partnerships that it will enter into and the organizations that it will support in the conduct of its socially beneficial activities.

The company carries out its sponsorship and donation activities in accordance with its Global Donations and Sponsorships Policy² that it has drafted within the framework of its Global Code of Conduct.

Beko and Water.org Partnership

In the last quarter of 2022, Beko partnered with Water.org to support a social responsibility program that gave 10,000 Kenyans access to safe water and sanitation solutions. Under the partnership that lasted until September 2024, Beko sponsored Water.org and its local partner AMFI Kenya, the Association of Microfinance Institutions-Kenya. The company contributed to the development of solutions through microloans that gave populations deprived of safe water sources access to it. This partnership also aimed to generate a positive impact for hard-to-reach communities. By the conclusion of the project, Beko successfully provided access to safe water or sanitation solutions for 10,236 individuals in the region.



Beko successfully provided access to safe water or sanitation solutions for 10,236 individuals in cooperation with Water.org.

¹ Arçelik Civil Society Cooperation Policy: www.arcelikglobal.com/media/5740/civil-society-cooperation-policy.pdf

² Arçelik Global Donations and Sponsorships Policy: www.arcelikglobal.com/media/6246/7_global-donation-and-sponsorship-policy.pdf

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Arçelik has become the Sustainability Partner of Turkish National Football Teams in addition to its ongoing support as the Main Sponsor of the Turkish National Football Teams.

Arçelik and Beko Sponsorships

Arçelik National Football Teams Sustainability Partner

In addition to offering its own products and services for a more sustainable future, Arçelik aims to promote responsible consumption in society. Thus, in a bid to raise awareness of sustainability issues, the company has become the Sustainability Partner of Turkish National Football Teams in addition to its ongoing support as the Main Sponsor of the Turkish National Football Teams. Turkish National Teams reach broad audiences irrespective of age, income, or gender, and have the potential to unite society around a common cause; therefore, Arçelik announced this new partnership through various communication channels. With this campaign, Arçelik aims to work with the Turkish National Team players to draw attention to various subjects including recycling, prevention of energy waste, reuse, and responsible consumption.

¹ (C) Arçelik Civil Society Cooperation Policy: www.arcelikglobal.com/media/5740/civil-society-cooperation-policy.pdf

² (C) Arçelik Global Donations and Sponsorships Policy: www.arcelikglobal.com/media/6246/7_global-donation-and-sponsorship-policy.pdf

Earthquake Relief Efforts

From the very first moment of the earthquake, centered in Kahramanmaraş's Pazarcık district and impacting 11 provinces in Turkey, Arçelik collaborated with the Koç Group to contribute to recovery efforts and help restore normal life.

In the Umut Kent container cities established across four provinces and five locations – Hatay (Antakya and İskenderun), Kahramanmaraş, Adıyaman, and Malatya – Arçelik provided ongoing support through various initiatives such as the Kitchen Workshop, Digital Wings Workshop, Arçelik-Beko Cafés, and the Arçelik Football School. Arçelik also continued to create job opportunities by opening two customer communication centers in the affected areas of Hatay and Malatya. The Digital Wings workshops were designed to foster children's development by equipping them with 21st-century skills through activities like robotics, coding, and product design. Workshops were equipped with educational materials, including tablets, computers, 3D printers, Twin science kits, and smart boards, and focused on working with middle school students residing in the Umut Kent container cities. Regular educational sessions were also provided. Colorful Arçelik Café spaces at five different spots in four different provinces – Hatay (Antakya) (1), Kahramanmaraş (2), Adıyaman (1), and Malatya (1) – have become meeting points for the youth due to their computers and internet access. Arçelik Cafés served as spaces where the children and youngsters living in the Hope Cities can do research, study for their lessons, socialize, play games, and spend quality time. Cookery Workshops established in four provinces, namely Hatay (Antakya), Kahramanmaraş, Adıyaman, and Malatya, were targeted particularly at women who lived in the Hope Cities. Cooking classes were given in cooperation with Public Education Centers. Established in collaboration with the Turkish Football Federation to support the development of children and

youngsters through sports, Arçelik Football Academy served as a space where young people were given football training by expert trainers and their interest in the sport was fueled through various activities. Additionally, with the support of Arçelik Turkey, national holidays were celebrated with a festive spirit in Malatya Umut Kent. Numerous social support initiatives, such as Ramadan packs and earthquake commemoration events, were also provided. Furthermore, as part of a company-wide campaign, Beko Volunteers gifted coats to all children in Adıyaman and Malatya.



In the Umut Kent container cities Arçelik provided ongoing support through various initiatives such as the Kitchen Workshop, Digital Wings Workshop, Arçelik-Beko Cafés, and the Arçelik Football School.

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While also taking worldwide developments into account, Arçelik advances towards realizing its goals of achieving enduring success and of sustainably passing the values it creates on to future generations. Promoting and maintaining a healthy corporate culture of scrupulous honesty and utmost commitment to the values of inclusion and diversity, Arçelik strives to equitably provide its employees with workplace environments in which they feel appreciated.

Believing in the virtue of diversity, Arçelik has set the goal of establishing a reliable and sustainable value chain worldwide by:

- bringing together individuals with diverse experiences and perspectives; and
- providing them with supportive environments.

Business Ethics and Transparency

Human Rights

Arçelik provides its employees with workplace environments whose chief characteristics are fairness, equality of treatment, and respect for human rights. Arçelik subscribes to the United Nations Global Compact (UNGC) and International Labour Organization (ILO) workplace and work-life precepts and abides by them in the formulation and implementation of its human rights policies and practices and transparently reports its compliance with them. Arçelik was also one of the first companies to commit itself to Home Appliance Europe (APPLiA) rules of behavior.

At Arçelik, human rights-related issues and functions are among the responsibilities and duties of the Arçelik Human Resources Department (AHRD). This department is also globally responsible for organizing internal and external human rights audits, developing risk maps revealing human rights risk exposures, defining human rights due-diligence processes, and taking similar supervisory, preventive, and corrective action together with the coordination of the entire company.

To ensure the systematic oversight of human rights functions, an AHRD Human Rights Committee meets four times a year. Charged with mapping the company's human rights risk exposures and with discussing due diligence on human rights issues and measures that have been and/or need to be taken, this Committee's primary duty is to proactively intervene to so as to make certain that Arçelik's value chain is in no way whatsoever disrupted by human rights-related issues. The AHRD Human Rights Committee

Arçelik provides its employees with workplace environments whose chief characteristics are fairness, equality of treatment, and respect for human rights.

is chaired by Arçelik's Chief People's Officer; its Senior Executive in Charge of Industrial Relations, Human Rights, Administrative Affairs, and Occupational Health and Safety serves as the Committee's secretary-general; its other members are the Chief Financial Officer, Chief Production and Technology Officer, Chief Purchasing and Supply Chain and Chief Sustainability, Quality, and Customer Care Officer as well as Executive Directors of Sustainability, OHS, Global Communication, Global Compliance, Quality, and Environment departments. At quarterly intervals, the Human Resources Committee's chair reports human rights-related issues and actions at Arçelik to the Koç Holding Durable Consumer Goods Group President, a member of the Koç Holding Board of Directors who is responsible for human rights policies and practices across the entire Koç Group.

While the AHRD Human Rights Committee has overall responsibility for human rights issues throughout Arçelik, at each plant there is also a human rights committee which is responsible for such matters within its own operational domain and whose permanent members are the plant's senior executives. These committees discuss any human rights issues involving their own operations and report any decisions that are made to the AHRD Human Rights Committee.

All HR policies, practices, and processes from recruitment and hiring to compensation and career progression at Arçelik are governed by the principle of equitability. In line with the company's principles of success-based merit and equality of opportunity, Arçelik provides its employees with a fair-minded workplace environment in which consideration is given only to such criteria as

educational background, knowledge, skills, competency, and experience. No discrimination on the basis of ethnicity, language, religion, age, gender, sexual orientation, nationality, physical disability, or cultural differences is permissible. Arçelik's human and employee rights policies are accessible from the accompanying links.

Arçelik Global Code of Conduct: [🌐 www.arcelikglobal.com/en/company/about-us/global-code-of-conduct/](https://www.arcelikglobal.com/en/company/about-us/global-code-of-conduct/)

Arçelik Global Human Rights Policy: [🌐 www.arcelikglobal.com/media/6236/15_global-human-rights-policy-en-1.pdf](https://www.arcelikglobal.com/media/6236/15_global-human-rights-policy-en-1.pdf)

Arçelik respects its employees' right to unionize and to enter into collective bargaining agreements. Arçelik complies strictly with the requirements of labor laws and regulations of any country in which it or any of its suppliers have an operational presence. Arçelik has no tolerance whatsoever for any form of child labor or forced/compulsory labor.

Arçelik and its workplaces are subject to external, independent inspection and auditing by the Business Social Compliance Initiative (BSCI) and the Suppliers Ethical Data Exchange (Sedex/SMETA). Matters pertaining to social management systems, employee engagement, unionization and collective bargaining, non-discrimination, remuneration, working hours, OHS, workplace safety, compulsory labor, child labor, environmental performance, and ethics are monitored by BSCI. Corrective/preventive measures are developed to deal with any issues revealed by audits and their implementation is followed up. Arçelik complies with the requirements of applicable laws and

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regulations in every jurisdiction in which its operations are carried out. The company has its suppliers and their workplaces independently audited so as to ensure that its principles of human and employee rights and equality of opportunity are adhered to across its value chain. As mandated by its zero-tolerance policy dealing with such matters, Arçelik severs any business relations with any supplier that violates human rights.

Arçelik Global Compliance Program, Combating Bribery and Corruption Policy

Since the day it was founded, Arçelik has always made ethical behavior and practices core elements of its business models. The ethical guidelines of all Koç Group companies were laid out by the Group's founder Vehbi Koç who said, "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."

The company and those who act on its behalf strive to lead its employees, business partners and their employees, and all of its other stakeholders along the trail blazed by the company's founder. To address the more complex needs arising from the company's global expansion, Arçelik's existing "Code of Conduct and Working Principles" was revised, updated, and renamed "Arçelik Global Code of Conduct Operations Policy" and put into effect by the Board of Directors in 2019.

The essential tenets of the Arçelik Global Compliance Program are "Protect", "Identify", and "Respond". All Arçelik employees and business partners are kept informed about the program's rules, are expected to obey them, and are

supported in their efforts to do so. All company executives are responsible for behaving in ways that set an example for employees and for making business decisions that are compatible with the Arçelik Global Code of Conduct and its related policies. The execution of this responsibility is monitored by the Global Ethics Committee. The Global Ethics Committee is led by Hakan Bulgurlu, Arçelik CEO and Arçelik A.Ş. member of the Board of Directors.

The Arçelik Chief Legal and Compliance Officer is responsible for submitting to the Koç Holding Durable Consumer Goods Division President quarterly reports of all Arçelik Global Compliance issues and Arçelik Global Ethics Committee decisions. This executive, who is also a member of the Arçelik Board of Directors, is responsible for reporting to that Board the activities of the Arçelik Global Ethics Committee and of any compliance issues that might be on the company's agenda.

The Arçelik Global Compliance Program and related policies are reviewed in light of the company's changing needs and revised accordingly.

A copy of the Arçelik Global Code of Conduct Operations Policy¹ and copies of each of its related policies are presented to every newly hired employee, who is expected to sign a document as acknowledgment of their receipt. All newly hired personnel are also given Arçelik Global Code of Conduct Operations Policy and related policy training upon joining the company. The completion status of the training is checked regularly.

In 2021, a "Restricted and Denied Party Screening" module was added to Arçelik's SAP system as an element of the company's Compliance Program. This module automates

¹ Arçelik Global Code of Conduct and Related Policies: https://www.arcelikglobal.com/media/5510/1_global-code-of-conduct_.pdf

the process of determining for the benefit of third parties that the company's business partners are neither banned or sanctioned anywhere nor have operations in any embargoed country.

Arçelik employees are provided with online interactive training resources to enhance their awareness of compliance-risk issues. This training is provided under the headings of "Code of Conduct", "Anti-bribery and Corruption", "Sanctions and Export Controls", "Personal Data Privacy", and "Anti-Money Laundering". Also included are "Competition Law" and "Human Rights and Anti-Discrimination" as per the Arçelik Global Code of Conduct. Senior executives are also provided with the same training in one-on-one sessions.

Any violation or infraction of Arçelik Global Code of Conduct Operations Policy or of any related policy may be reported to the Arçelik Legal and Compliance Department through a variety of channels such as Ethics Hotline numbers in some countries, email, and the company's web tools at www.ethicsline.net. Arçelik is committed to protecting all whistleblowers from retaliation and to handle all investigations with complete confidentiality.

Arçelik has publicly declared that it will comply with anti-bribery and anti-corruption laws, regulations, and principles in line with its Global Anti-bribery and Corruption Policy.

As a subsidiary of Koç Holding, Arçelik is a likewise a signatory to United Nations Global Compact (UNGC) rules governing anti-corruption and anti-bribery principles and practices throughout the world. Systematic risk analysis studies for bribery and corruption compliance risks were initiated in 2023.



Since the day it was founded, Arçelik has always made ethical behavior and practices core elements of its business models.

Arçelik in no way condones or tolerates any corrupt act, financial fraudulence, facilitating payment, or bribe. All financial records of transactions must fully and clearly reflect the truth. No duly registered account or asset may be entered into any of the company's accounting systems.

In every country in which it has an operational presence, Arçelik complies fully with that country's currently applicable laws and regulations governing anti-bribery and anti-corruption issues. Arçelik makes every possible effort to ensure that all company employees are given anti-bribery and anti-corruption training every year.

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As a consequence of its Global Anti-bribery and Corruption Policy¹, Arçelik in no way condones or tolerates offering, giving, or accepting bribes. No employee is permitted to accept or to offer or to give any gift or payment of money that might be interpreted as a bribe. Every employee who is involved in or a witness to such a situation is required to report it to the Global Compliance Department. If employees encounter a bribe request or offer, they are obliged to report this to the Global Compliance Team under the Legal and Compliance Directorate.

Data Privacy

At Arçelik, all personal data privacy standards and practices are informed by the requirements of applicable laws and regulations and by the Arçelik Global Data Privacy Policy². The company's Global Data Privacy Team is responsible for the oversight of all personal data privacy and processing functions and operations both at Arçelik and among its subsidiaries, and for ensuring full regulatory compliance.

Arçelik and its subsidiaries and affiliates process and protect all personal data belonging to their customers, suppliers, employees, subcontractors, and any other stakeholders with which they have business dealings in accordance with the requirements of applicable laws and regulations. In situations where such laws and regulations mandate higher levels of personal data protection and privacy than are called for by company policy, they necessarily take precedence and Arçelik complies with them.

Future Fit Culture, Talent and Organization Management

Our Human Resources Approach

Growing rapidly on a global scale, Arçelik aims to bring together human resources from diverse cultures, competencies, roles, and responsibilities under a shared purpose, a common language, and set of values. In this regard, the company has developed the "Arçelik Global Culture Code", shaped by the active involvement and contributions of employees, and disseminated it throughout the organization.



¹ Arçelik Global Anti-bribery and Corruption Policy: https://www.arcelikglobal.com/media/5516/4_global-antibribery-and-corruption-policy_.pdf

² Arçelik Group of Companies Global Personal Data Privacy Policy: https://www.arcelikglobal.com/media/5078/9_global-data-privacy-policy.pdf

Arçelik aims to bring together human resources from diverse cultures, competencies, roles, and responsibilities under a shared purpose, a common language, and set of values.

Our Global Objective

Arçelik defines the impact that it wishes its employees to have on the world as “Inspire sustainable lives in every home”.

- Having a positive global impact on societies and the planet by making it possible for every household around the world to have access to sustainable lifestyles;
- growing this impact by inspiring others as well as actions; and
- working together to leave a better planet for the future

are Arçelik employees’ common goals.

Arçelik’s Human Resources Vision and Strategic Priorities

Its highly qualified people, who ensure rapid adaptation to future developments and transformation and give careful consideration to society and the planet, represent Arçelik’s key competitive edge in the global arena. Arçelik HR vision and strategic priorities are determined so as to support the company’s growth on a global scale, fulfill future workforce requirements, and be a center of attraction for global talents, and HR practices are put into effect within this framework. The company’s activities within this scope are described below:

Our Values

Values which Arçelik employees should recognize as being synonymous with Arçelik, which they should embrace as their own, and which should guide them in their decisions and actions, consist of:

- **Care for environment and community:** Arçelik employees believe that in the performance of their duties, one of their prime responsibilities is to act as guides on the road to sustainability by always serving the best interests of society and the planet.
- **Respect and compassion for each other:** Arçelik employees are united in a single Arçelik purpose which is nourished by diversity and which acknowledges the value of every individual no matter what their abilities or cultural background may be.
- **Pride to win:** In their never-ending efforts to make progress, Arçelik employees ask questions, focus on shared success and victory, and constantly motivate one another to do better.
- **Passion to grow together:** Arçelik employees support and help one another and believe in the power of teamwork.

Leadership DNA

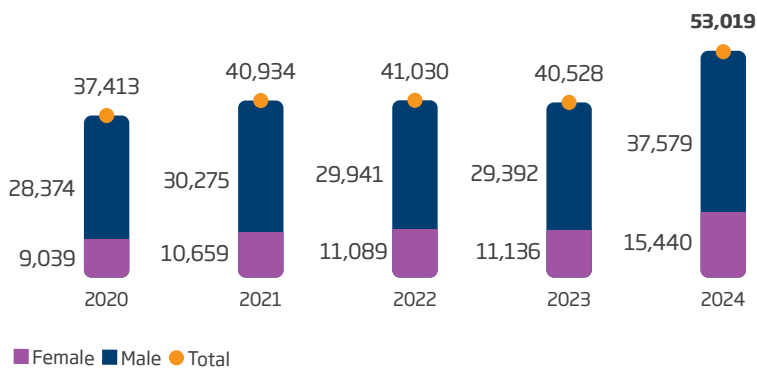
The Arçelik employee behavioral model incorporates these values, is critical to long-term success, and consists of five strands of DNA. Arçelik employees:

1. Lead with purpose and inclusion
2. Energize to win
3. Shape the future
4. Grow Future Fit talent
5. Empower to grow collaboratively

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- The organizational structure is designed based on an operating model that will generate value in line with the company's strategies. Staffing plans are developed according to strategic priorities. When creating resources for new business areas and investments, it ensures efficiency in its existing operations through centralization and digitalization opportunities and process improvement studies.
- The company's global talents are trained and developed in critical competencies. New agile working models are addressed with a focus on organizational development and productivity, plans are made for its transformation, which are designed and implemented together with employees.
- Establishing a company culture within which employees can realize their full potential is defined as a key priority. By creating an inclusive culture, development opportunities are created for talented people who are nurtured by diversity and multi-vocality, and are in harmony with Arçelik's values and leadership DNA. At the same time, lean solutions and business models are offered by way of digital solutions to employees, which will increase their efficiency.
- The company intends to grow globally to become a Future Fit talent hub. Within this framework, it is committed to ensuring the sustainability of the organization through the identification of talent and competency needs, and growing by addressing the individual development needs of its employees accordingly.
- Employee vision is centered around the cultivation of internal talent in alignment with its diversity, equality, and inclusion strategy, attracting talent on a global scale, and establishing talent pools that represent a range of ethnic origin, gender, and age groups. The company's talent acquisition vision supports it in attaining its strategic goals and aims to ensure equal and fair evaluation of all candidates from a diversity, equality, and inclusion perspective.
- Focus is placed on contributing to employee development and designing global talent management processes in a way that supports sustainable growth. Based on a future-aligned global HR approach, opportunities are created for equipping employees with skills aligned with the evolving workforce dynamics and future talent requirements.
- Success is drawn from a continuous development strategy focused on value creation and growth based on the belief that its existing and potential employees are the enablers of its change, transformation, and power to determine its innovation potential.
- To retain top talent and to become a center of attraction for talent in a bid to deliver the best employee experience, "Employee Experience" is placed at the heart of all process designs. Accordingly, a careful ear is turned to employees throughout the year using different tools including one-on-one meetings, listening questionnaires, and focus groups, during which their opinions are collected and used as input for process improvements.

Total Number of Employees



Its highly qualified people represent Arçelik's key competitive edge in the global arena.



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Human Resources Policies

Arçelik pays regard to developments in the world, and moves forward to achieve its target of always being successful and passing on the values it has created to future generations in a sustainable manner in keeping with its “Respecting the World, Respected Worldwide” vision and purpose spelled out as “Inspire Sustainable Lives in Every Home”. In this journey, it is the common desire throughout Arçelik to:

- make sure that it moves ahead towards the company vision and purpose;
- act without compromising integrity;
- provide a decent and safe workplace environment free from discrimination or injustice, observant of human dignity, and equipped with proper conditions;

- bring together individuals from different backgrounds, cultures, and having different experiences and perspectives to prepare the ground for their conception of new ideas and new solutions;
- lead pursuance of the benefit of the communities and the planet; and
- create a reliable and sustainable value chain across the world.

Arçelik Human Resources Policies, which are aligned with the company's strategies and established in the light of shared values, leadership DNA, and business ethics principles are documented and shared with all global employees. The Chief People Officer determines and manages the tenets of the company's Human Resources Policy, and maintains relationships with employees.

The tenets that underlie the Human Resources Policies are spelled out below and these tenets are observed in HR practices:

- Being a company active on the international stage, local legislations, practices, and requirements are respected in HR systems and implementations. In cases where HR policies and practices contradict with local legislation, the legislation of the relevant country prevails.
- Arçelik respects employees' right to unionize and collective bargaining.
- Human Resources Policies are aligned with Arçelik's business strategies, and address future organizational needs as well as current ones.

All HR practices are founded on fairness, consistency, and reliability.

- All Human Resources processes and implementations are in harmony with and supportive of human rights; these principles urge against discrimination and provide equal opportunities within the company. Arçelik does not discriminate on the basis of ethnicity, race, language, faith, age, gender, sexual orientation, nationality, disability, cultural differences, or political affiliation. This principle is embraced throughout the company and no official complaint has been received from employees to date on account of any discrimination experience. In a bid to permanently prevent any potential discrimination among employees and physical, mental, and emotional abuse, Arçelik imposes and ensures implementation of binding rules with its Global Code of Conduct and associated policies, Arçelik Personnel Policy and all related policies.

Throughout the potential talent acquisition process that will enable the company to achieve its strategic goals, all candidates are provided with the opportunity to be evaluated equally and fairly in terms of diversity, equality, and inclusion. It is designed to identify the best-fit candidate for the position and bring them to the company using a range of measurement and assessment techniques aligned with the competencies and criteria required by the corresponding position. Various internship and talent programs tailored to the target audience of young talent enable new graduates and students to become acquainted with the company while they are still in the early stages of their careers.

All HR practices are founded on fairness, consistency, and reliability. In line with this principle, the criteria for job descriptions, remuneration, performance, and rewarding systems of company employees are announced

to employees according to a predetermined schedule, thus making sure that they are equally available to all employees. Arçelik develops a range of training programs to address organizational competence requirements and Future Fit development priorities. These programs are available to all monthly and hourly-paid employees from the start of their employment. Throughout the training process, which starts with orientation, functional competencies are reinforced and supported through academies and technical training, while social skills are enhanced through competency training. Online training platforms provide access to up-to-date and diverse information. Efforts to involve employees worldwide in development solutions are intensifying.

Employees' career planning is made in line with their knowledge, skills, and competencies. In annual HR planning meetings, critical positions and talents and competencies that will carry the company into the future are defined, performances of potential employees are monitored and they are supported with their development, thus readying them for their potential future roles. Succession planning is made for all management positions, and potential employees are placed accordingly. Hence, individuals who are likely to be assigned to management positions are trained, while also avoiding any situations that may hinder the company's administration in the event of possible changes in management.

While establishing talent acquisition policies and making career planning, the company embraces it as a principle to offer equal opportunities to internal and external candidates having equal qualifications. An internal announcement system is implemented to prioritize internal candidates with respect to opportunities. In the event that

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a change in managerial positions is likely to cause a setback in the company's management, internal candidates named in succession planning are considered as successors.

In a bid to continually improve HR standards, HR practices are reviewed systematically and regularly, and HR processes are restructured in line with the feedback received and the latest developments.

To ensure that employees remain informed and to foster an environment of open communication, regular meetings are conducted to discuss the company's financial status, business operations, working arrangements, and opportunities in areas including career development, training, and health.

The opinion of the relevant union is sought prior to the decision to be made in relation to HR Policy changes and system revisions that concern unionized employees at Arçelik and agreement is reached. All unionized employees are informed about the changes made.

Within the frame of applicable legislation, employees' personal data are protected and kept in confidence. While Arçelik aims to fulfill its existing and future business requirements during recruitment and placement, the company offers equal opportunities to all candidates possessing the appropriate educational background, knowledge, skills, competencies, and experience, in line with its Code of Conduct. The company's approach to learning and development is set out as working in line with continuous development principle in line with the company's vision and business goals and helping improve the company's performance. The company's internal resources are targeted to be utilized effectively and efficiently when planning employees' current and future development needs in line with business requirements.

Employee development is supported with annually revised content in parallel with the company's Learning and Development Policy.

Arçelik believes that teamwork and collaboration, along with individual achievements, underpin organizational success. Along this line, different development methods are implemented to improve employee performance. For detailed information about the studies conducted in this field, see the "Future Fit Talent Development" section (📄 pages 202-212).

To enhance employee motivation, engagement, and productivity, to implement best practices, and to encourage outstanding critical behaviors, Arçelik evaluates, rewards, and internally advertises all beneficial achievements, inventions and/or suggestions. The company's approach to compensation management is to establish a fair and competitive employment policy in accordance with the laws.

Arçelik recognizes that employees' engagement to the organization is one of the telling factors in terms of having a happy business life, and continues to administer online engagement and satisfaction survey each year in Turkey and other countries. For detailed information about the studies conducted in this field, see the "Employee Engagement and Experience" section (📄 pages 212-218).

Emphasizing a strong employee experience, Arçelik continues to listen to its employees when implementing its actions. Various methods including one-on-one meetings, listening questionnaires, and focus groups are employed throughout the year to listen to what employees have to say and actions are prioritized accordingly. Through its HR practices, Arçelik aims to create a sustainable, learning, inclusive, and equitable working environment and molds its activities to this end.

Diversity, Equity, and Inclusion (DEI)

Diversity, equity, and inclusion (DEI) lie at the core of all Arçelik corporate cultural values. The company values and draws strength from individuals from diverse backgrounds, and pioneers sustainability by considering the interests of the communities it serves. It values diverse skills, experiences, perspectives, and identities, enabling every individual to be themselves and realize their potential.

Arçelik is committed to ensuring DEI across all areas of its operations. Accordingly, a global DEI Team was established in 2022 and developed its Global DEI strategy in 2023. A committee was formed to enhance the employee experience based on a survey conducted with 6,000 employees and focus group meetings involving 210 employees.

The company's DEI strategy is built around four key focus areas:

- Talent diversity and equitable processes
- Inclusive culture
- Promoting diversity in suppliers, dealers, and services
- Inclusive product and brand

The 4+1 diversity approach emphasizes gender, nationality, and generational diversity, with a focus on disabilities and local needs.

Arçelik has focused on addressing common needs on a global scale in accordance with the strategic roadmap. Recognizing the specific and local needs of the regions, 23 local DEI teams representing 31 countries on a global scale have been formed in order to identify local focal points, and the relevant teams have started to work on corresponding



Diversity, equity, and inclusion (DEI) lie at the core of all Arçelik corporate cultural values.

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action plans. In addition, the Global DEI Committee was established to ensure communication among countries. In 2024, the Arçelik DEI School conducted six sessions from January to December, focusing on enhancing the awareness and knowledge of the Global DEI Committee, ensuring that the reflections of these were evident in the action plans.

A feature of Arçelik's 2024 diversity roadmap is achieving a workforce whose own diversity is compatible with the demographic realities of its operational territories. Employees' gender, age group, and nationality data are regularly assessed, with the results being used as input for talent-management processes. The same results also inform the company's talent-backup and recruitment-pool processes.

As part of its inclusive culture transformation, the company started providing unconscious bias training to all managers in 2024. The goal of these training sessions is to enable managers to foster an inclusive culture through fair and objective decision-making.

In the training program that continued to spread globally in 2024, 36 volunteer internal trainers engaged 3,516 employees, including those from Beko Europe, enhancing their awareness of unconscious bias. The training, designed to reach all employees, will continue in 2025.

As set forth in the company's Equality at Work Statement¹ and its Global Discrimination and Harassment Prevention Policy², every Arçelik employee is treated with equal dignity irrespective of any differences as to ethnicity, religion, language, race, age, gender, sexual orientation, nationality, disability, or cultural background. It is the company's policy to tolerate no discrimination whatsoever based on an individual's previous history.

Engelsizler Project

The Engelsizler Project commenced with 14 employees in December 2021, during which technical and personal training was provided for the initial three months, alongside mentoring support. Individuals who completed the training were assigned for support roles, and five graduates were employed in 2023, continuing their work at Arçelik into 2024.

¹ Arçelik Declaration on Equality at Work: https://www.arcelikglobal.com/media/5302/declarationonequalityatwork_02.pdf

² Arçelik Global Anti Discrimination and Anti Harassment Policy: https://www.arcelikglobal.com/media/6317/16_global-anti-discriminationand-anti-harassment.pdf

Gender equality at Arçelik

Arçelik supports gender equality, women's empowerment, and equal socio-economic inclusion. The company undertakes efforts to enhance women's active involvement in the workforce and raise the women-employee ratio. All projects are evaluated from a gender equality perspective, and women's employment is encouraged in offices, production facilities, and among business partners. Since 2017, as a signatory of the UN Women's Empowerment Principles (WEPs), the company has been focusing on empowering women in the business world.

Domestic Violence Policy

The "Business Against Domestic Violence" (BADV) Project was launched in 2013 by the Sabancı University Corporate Governance Forum with the support of the Dutch Consulate. The Project aims at establishing support mechanisms in workplaces to combat violence in close relationships and to promote the dissemination of best practices by the business world in this regard. The BADV Project continues in collaboration with UNFPA, the Sabancı Foundation, and TÜSİAD. Arçelik joined this project in 2024. By the end of the year, the Workplace Implementation Policy on Domestic Violence was completed and prepared for publication. In 2025, under the leadership of the Human Resources department and with a project group comprising representatives from the Legal and Communications Teams, the policy content will be disseminated, and internal awareness will be enhanced. Within this scope, BADV Training of Trainers, designed to train two representatives from the Human Resources and Legal departments as internal trainers, was conducted in six modules in 2024.

Since 2017, as a signatory of the UN Women's Empowerment Principles (WEPs), the company has been focusing on empowering women in the business world.

Gender equality targets

Arçelik has set diversity and gender balance targets in its workforce by 2030. Quantitative and qualitative goals have been integrated into recruitment and talent management processes to increase the number of female employees and managers, with a particular focus on supporting women's employment in STEM fields. Candidate shortlists are prepared with a 50-50 gender balance in mind, and department-specific actions are implemented. Diversity objectives have been added to the goal cards of Human Resources and DEI managers. The annual performance of the targets are available in the 2023 Sustainability Report and the results achieved in 2024 can be found in the Arçelik 2024 Integrated Report.¹

Arçelik has adopted a Board of Directors' Diversity Policy according to which it has set itself a number of Board-level gender equality targets. One of these targets is to increase the ratio of female members on the Board of Directors to 25% by 2026, and this target was achieved with the 25% ratio achieved in 2024.

¹ Arçelik Sustainability and Integrated Reports: <https://www.arcelikglobal.com/en/company/reports-presentations/>

² Arçelik Board Diversity Policy: https://www.arcelikglobal.com/media/6314/arcelik-board-diversity-policy_25521.pdf

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Training and Empowerment Projects

Believing in the effectiveness of training and empowerment programs as tools with which to build gender equality and combat inequalities, Arçelik continued to develop its existing programs to make their perspectives more diverse, equitable, and inclusive in a variety of ways during 2024. The Diversity, Equity, and Inclusion School for Our Children, which includes the children of our employees, has been launched. The Diversity, Equity, and Inclusion Bulletin has started publication, and the Unconscious Bias Online Training has been developed and made available. Additionally, micro online training programs have been designed for hourly wage employees. In collaboration with Erişilebilir Her Şey Association, the Disabled Employee Experience research and project have been implemented.

Women Leadership Program

Arçelik continues to provide leading training for women in order to help overcome the barriers to their advancement thrown up by gender inequality. In this regard, 134 women employees were able to benefit from the Global Women Leadership Program in 2024, with the goal of boosting women's representation at the management level. As part of the program, there were 10 leadership sessions, 10-week peer learning circles, and a closing summit. The summit featured engaging interactive competency-focused sessions, panel discussions, and webinars with women leaders. In 2025, the continuation of the program is planned, with the additional aim of reaching more female employees and disseminating it more effectively through internal facilitators and diverse resources.

Recruitment Processes

Arçelik's global organizational structure focuses on bringing differences together around a shared goal. Arçelik moves forward sure-footedly by attracting qualified young people and experienced professionals to its organization along with dynamic and innovative practices. Acting with the awareness that sustainable success is enabled by individuals who are good in their jobs, the company employs different talent management practices in employee evaluations in order to get the best result.

Striving to reach qualified talent by using the most effective recruitment channels, Arçelik constantly updates its human resources in the new world order where talent acquisition is increasingly difficult. Applicants to the company are not just potential employees for Arçelik; each one is also a customer of the company. With this approach, Arçelik embodies its customer-oriented business strategy in its HR processes as well. Arçelik makes a difference in the sector with the candidate experience process it has created.

In Arçelik's organization in Turkey, there is a centralized recruitment process and talent acquisition strategy. Recruitment processes are carried out with the coordination of digitalized talent acquisition expertise. Digitalized practice sessions aim at increasing the effectiveness of candidate assessment processes. From 2020, the recruitment process for hourly-paid candidates was also digitalized in order to deliver them an enhanced experience, and in 2024, applications for hourly and monthly paid positions in Turkey totaled 94,218.

Internship Programs

Events centered around experiential engagement are meticulously curated to enhance corporate relationships with young talents. Through these events, young talents gain a deep knowledge of the company, while the company can connect with them faster. At the same time, special content is presented to the target audience through various young talent programs, along with the opportunity for one-on-one interaction with these individuals. Our company convened with thousands of students and recent graduates at the 64 youth communication events hosted in 2024. These events provided participants the opportunity to explore the career prospects within our industry while experiencing our company culture.

“Fresh Start” Summer Internship Program

With “Fresh Start”, the short-term summertime internship program organized every year, young and bright students in their third and fourth years at universities are offered the chance to experience work life at the company. Covering centralized training programs and projects that support competency development of candidates in various fields, the program receives more than 13,000 applications on average every year. Post-internship, paid positions at Arçelik are available depending on performance.

13,802 applications were submitted for the 2024 Fresh Start Turkey internship program, with 399 interns chosen from the pool of applicants. Students, who completed a 20-day short-term internship and a 30-day long-term internship, were gathered at various events both centrally and at the relevant units and locations where they had their internship. 10 events were organized to familiarize the students with the company's organization and culture.



Our company convened with thousands of students and recent graduates at the 64 youth communication events hosted in 2024.

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Over 250 projects were presented within the scope of the program, with over 200 internship advisors providing guidance to the interns.

The Fresh Start internship program also delivers experiences to students at Arçelik's various plants and offices in different countries. Below are the numbers of applicants and admitted interns by countries:

- Fresh Start Dawlance – 8,400 applicants and 24 interns
- Fresh Start Arctic – 863 applicants and 30 interns
- Fresh Start Thailand – 53 applicants and 17 interns
- Fresh Start Defy – 2,748 applicants and five interns
- Fresh Start Bangladesh – 7,339 applicants and 12 interns

Prep

Prep is a young talent program implemented by Arçelik in Turkey to cultivate a skilled workforce in the information technology industry, contribute to the economy, and provide job opportunities for program participants through “On-Site R&D”. (For detailed information, see the “In Touch with Human Needs” section 📖 pages 167-168.)

WE-inTech

Arçelik launched the WE-inTech program to enhance the presence of women in the field of technology and innovation, encourage women engineering candidates in their 3rd and 4th grades of university education to pursue careers in engineering and next-generation R&D, and develop their competencies and skills in this domain. The program has been implemented in Turkey, Romania, South Africa, and Pakistan. (For detailed information, see the “In Touch with Human Needs” section 📖 page 166)

Key Projects in Human Resources

Agile Transformation Program

Organizational agility refers to an organization's capacity to promptly adapt to change and uncertainty, employ flexible approaches, and consistently redevelop itself, all while upholding its focus on the customer. In doing this, it is critical to delegate full authority to the teams and establish frameworks that enable them to focus on the common goal. By implementing this approach, we regularly review the Arçelik Global organization and design leaner and more agile structures.

Following the successful agile transformation implemented within the central R&D organization, agile organizational structures have also been established in our Plant Production Engineering, Production Technologies, and, most recently, Subsidiary R&D units.

Besides the business units whose organizational transformation is complete or in progress, there are business units that use agile methods to implement their projects across Arçelik.

The Agile Transformation governance structure was set up to support the company-wide transformation. The transformation is monitored under the below-mentioned four aspects:

1. Organizational Structure design the company's transformation roadmap and introduce agile organizational structures.
2. Employee Experience and Communication design the tools for employees to communicate their own needs and expectations, assess their experiences, and ensure information flow during the transformation process.

A Culture Dissemination Team of nearly 400 individuals from 32 different countries, comprising leaders working within Arçelik, was established.



3. Culture and Competencies measure the agile maturity level and develop company-wide learning and development plans accordingly.
4. Work Processes and Infrastructure prepare the systems and processes and particularly HR processes that functions need in their Agile Transformation journeys.

Global Culture Dissemination

The culture dissemination process has commenced to ensure that Arçelik's corporate purpose, values, and leadership DNA are embraced by all employees. During the dissemination process, an interactive culture workshop model was designed to help Arçelik's monthly and hourly-paid employees adopt the culture code and explore the significance of winning behaviors and leadership DNA personally.

In order to ensure the successful delivery of the culture workshop to all employees on a global scale, a Culture Dissemination Team of nearly 400 individuals from 32 different countries, comprising leaders working

within Arçelik, was established. This team, which began facilitating cultural workshops in March 2023, engaged around 23,500 employees with the sessions they organized.

Furthermore, we intend to strengthen the common language of Arçelik by taking steps to incorporate the culture code into employee-related processes. Within the scope of training and development, training catalogs and curricula were reviewed and restructured to align with the leadership DNA. A review was conducted on the performance management process, and in order to redefine the evaluation of how business results were attained, winning behaviors and leadership DNA were incorporated, and employees were encouraged to establish Development OKRs (Objectives and Key Results) within that framework. The 360-degree feedback tool has been updated to enable employees to self-assess by obtaining feedback on how often they exhibit winning behaviors, and it is now available in 13 languages. During the talent acquisition process, the "Happy Candidate Guide" was updated, and seminar sessions were organized for hiring managers to ensure that new talent joining Arçelik aligns with the company culture and to provide a consistent experience to all candidates simultaneously on a global scale. To ensure that all new employees worldwide have the same experience, the onboarding process has been fully updated by integrating our Leadership DNA, and our Global Employer Brand and Employee Value Proposition strategy.

As part of cultural integration efforts, the first steps have been taken to restructure the global intranet page. This initiative aims to bring employees together on a single platform, promote our common language, and strengthen unity, with activation planned for January 2025.

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Global Employer Brand and Employee Value Proposition (Global EVP) Program

The Global Employer Brand and Value Proposition is an indispensable element of the employee experience, as well as company culture, values, and Human Resources strategies. The Global Employer Brand and Employee Value Proposition (Global EVP) Program was launched to identify the features that differentiate Arçelik from the players in the competitive markets and to shape the communication strategy accordingly. With this program, Arçelik aspires to become a hub for attracting talent in terms of human resources, providing an outstanding employee experience for all its employees, and fostering a community of employer brand ambassadors in the current era of high talent mobility.

Within the context of the Global EVP Program, a comprehensive research process was conducted in 2023 through a survey with 3,002 internal participants (employees) and 388 external participants, focus group workshops, and one-on-one interviews with senior management. The findings of the research were shared with employees and senior management. An employer brand strategy and roadmap was established based on the analyses.

The motto of our Global Employer Brand and Employee Value Proposition is defined as "Feels Like Home." This motto reflects Arçelik's purpose of "Inspiring Sustainable Lives in Every Home." For Arçelik employees, "Home" symbolizes a sense of belonging, shaping the future together with a shared purpose; it is nurtured by courage, companionship, and trust. Living and working at Arçelik inspires all employees collectively to create a positive impact, strengthening the feeling and warmth of "Home."

Employees, reflecting our Leadership DNA and values, describe Arçelik as the home of influence, friendship, innovation, and global minds:

- The strong support we provide to communities defines us as the home of influence.
- The culture of sincerity and trust shapes our organization as the home of friendship.
- The shared successes we achieve in an agile and creative working environment highlight our community as the home of innovation.
- Our passion for growth positions our organization as the home of global minds.

The launch of the Global Employer Brand and Employee Value Proposition motto "Feels Like Home" and its strategy was held on February 15th 2024, through a global event. Following the launch, an "Our Story" short film competition was organized, asking employees to shoot short films depicting a day in their lives at Arçelik. A total of 88 videos were submitted for evaluation within the scope of the competition.

In line with the roadmap established following the launch, four activation groups were formed in 2024, consisting of volunteer employees, under the titles of "Development Center," "Career Planning," "Workplace/Work Environment," and "Talent Acquisition." These teams focused on understanding employees' needs and improving their working experience, aiming to take significant steps to provide a better environment for them. Based on their analyses, each group worked towards implementing at least two initiatives by the end of 2024, addressing key agendas identified.

At Arçelik, the talent review process is approached through a multi-dimensional framework with concrete criteria.

Our communication strategy and tools have been strengthened in line with our Global Employer Brand and Employee Value Proposition strategy. Communication templates and office visual applications have been redesigned to align with this new approach.

Talent Management

Arçelik continues to enhance the competencies required by the company through new-generation talent acquisition strategies and implements retention and development practices to foster these competencies within the organization. In talent management processes, the objective extends beyond improving workforce efficiency and performance to also developing the skills and competencies that are critical for the organization's cultural transformation and sustainability of the organization. The organization's future talent and structural needs are continuously assessed concerning factors such as digitalization, agile working models, and globalization.

In preparation for the future, critical roles and competencies in the organization are identified, not only based on business needs but also by evaluating cultural alignment and leadership qualities. Accordingly, talent maps, requirements, and personalized action plans are regularly updated, with development areas based on diversity and inclusion principles being highlighted at all organizational levels. Long-term incentive programs for key positions are designed to strengthen talents' commitment to the company while preventing attrition and supporting both their personal and professional development.

Our company continues to identify and cultivate talents, offering global opportunities while taking into account diverse cultures and local dynamics through a global

talent management approach. In this process, flexible and agile solutions are implemented to address the evolving workforce expectations across various geographies.

Arçelik holds annual talent review meetings within its global organization to manage human resources most effectively and create opportunities for employees to reach their full potential through making sound investments. These meetings focus not only on the company's strategic priorities and future vision but also on the personal development goals and career expectations of employees, fostering a strong synergy among all stakeholders. Organizational collaborations are reinforced to accurately assess talent needs and take proactive actions.

At Arçelik, the talent review process is approached through a multi-dimensional framework with concrete criteria. In reviewing over 10,000 talents annually, the company takes proactive actions to equip employees with the skills necessary to meet the evolving talent requirements driven by emerging technologies, such as digitalization and artificial intelligence (AI), which are transforming workforce dynamics. As a result, when building talent pools, not only current skills are considered, but also development opportunities aligned with future workforce requirements are emphasized.

Additionally, talent gaps and succession needs within the organization are identified more quickly and accurately utilizing digital tools and data analytics. Development and growth plans for talents are shaped through personalized solutions based on organizational needs, while global actions are simultaneously evaluated. Arçelik continuously strengthens its talent retention and engagement strategies through consistently developing new methods and tools.

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Our company is committed to equipping its employees with the skills needed for both today and the future, preparing them for their future roles. In this context, in competency management processes, technical, behavioral, and leadership skills are re-evaluated in line with the criticality levels of the roles created on a function basis and organizational needs, and role profiles are created. Development needs for employees are managed through a process where not only managers but also employees themselves contribute to identifying the areas for improvement.

In annual assessments conducted across all countries, roles within the organization and their holders are reviewed. The succession statuses and risk factors of role holders are analyzed, and risk maps are created on an organizational basis. Based on these risk maps, competencies that need to be developed and succession plans are implemented through prioritized action plans, and actions are monitored. This process not only secures the placement of talents within the organization but also enables the development of strategies that will strengthen employee engagement and support sustainable growth.

Future Fit Talent Development

The company aims to consolidate the personal development, professional competencies and skills its employees need now and, in the future, and to support their careers and life quality with the learning and development solutions it offers.

Our learning and development solutions are under the roof of “Future Fit Development” aligned with our purpose, values, leadership DNA, and culture code.

The “Future Fit” approach is driven by the goal of enhancing employees’ competencies and skills to align with future requirements.

There are three main groups and future-oriented learning approaches that underpin all development solutions in the Future Fit Development Framework:

- **Future Fit Core** comprises development solutions that are incorporated into the company’s strategies and core values, supporting common focus areas shared by all the employees. This group encompasses the orientation program (Warm-up), Purpose-Driven Programs that touch on the company’s values and include compulsory training, and Leadership DNA Essentials designed to cultivate the unique conduct of employees.
- **Future Fit Capability** covers programs and training designed to reskill and upskill employees, equipping them for current and future job roles. Development Programs/Functional Academies, Functional and Technical Training Programs, and Foreign Language Training Programs are positioned under this group.

- **Future Fit Leadership** encompasses programs which are designed to cultivate leaders who serve as role models in the dissemination and embracement of the company culture.

1. Future Fit Core

This comprises development solutions that are incorporated into the company's strategies and core values, supporting common focus areas shared by all the employees. Both online and face-to-face development opportunities are provided to employees through training programs within the scope of Future Fit Core. In 2024, a total of 742,590 hours of training were delivered as part of Future Fit Core.

1.1. Warm-Up

In our company, the orientation program for new employees is implemented globally to help them integrate into the company culture, strategic objectives, and working arrangements. The Warm-Up orientation program consists of e-learning modules and online live sessions. The program provides an opportunity to get acquainted with the company's history, values, vision, and leadership DNA. Additionally, it includes essential training on topics that govern working life, such as Occupational Health and Safety, Personal Data Protection, Competition Law, Global Business Ethics, Environmental Responsibility, and Human Rights. In 2024, the orientation program was conducted five times, with a total of 608 employees from 34 countries participating, and 2,940 hours of training were provided.

Our learning and development solutions are under the roof of "Future Fit Development" aligned with our purpose, values, leadership DNA, and culture code.

1.2. Leadership DNA Essentials

Leadership DNA Essentials training includes high-participation programs designed to familiarize all employees with and internalize the company's leadership DNA. The training aims to develop cognitive, interpersonal, and leadership skills in alignment with the company's Leadership DNA. In 2024, 200 training sessions were conducted for 2,781 employees from 39 different countries, providing a total of 33,372 hours of training. The satisfaction rate for the training programs was 50%.

1.3. Purpose Driven Training Programs

The Purpose Driven Training Program, designed in alignment with the company's goals, values, and strategic priorities, is a key component of each employee's training plan. The program both includes social and societal sensitivities, as well as mandatory legal and company-specific training, which is regularly updated. These courses are designed to align with the company's objectives in key areas such as occupational safety, business ethics, diversity, and inclusion. In support of sustainability goals, the Sustainability 101 training has been added to the program as of 2024. The Purpose Driven Training Program

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helps ensure that the organization stays informed about the latest legal regulations, supporting the development of compliant business strategies while minimizing the likelihood of encountering undesirable outcomes in legal matters. Furthermore, it fosters a strong network between the company and its stakeholders by demonstrating the company's commitment to legal compliance. Over the past year, our employees received a total of 478,364 hours of training.

1.3.1. Compliance Programs

The Compliance Program, developed in collaboration with Koç Holding, offers comprehensive training to encourage employees to comply with business ethics principles and legal requirements. The program aims to raise awareness of company policies and equip employees with the necessary knowledge and understanding to mitigate potential legal and regulatory risks that the company may face. The Compliance Program, which includes the topics of Ethical Principles, Combating Bribery and Corruption, Sanctions and Export Controls, Protection of Personal Data, Prevention of Proceeds of Crime, and Competition Law, creates a strong awareness of the legal challenges that the company may face by emphasizing diversity and various training sessions. In 2024, 10,963 employees completed the Compliance Program, receiving a total of 19,703 hours of training.

1.3.2. Rising Together

The Rising Together Program is designed to empower women to overcome the unique challenges they encounter in the workplace, which are different from those of men, while equipping them with the skills they need in this process. This program, which combines leadership sessions

and peer learning groups, aims to foster professional development, enhance gender awareness, and facilitate an exchange of substantial information among participants. In 47 training sessions conducted for a total of 108 employees worldwide, a training period of 1,101 hours was completed, and the satisfaction rate of the training sessions was measured as 79%.

1.3.3. Unconscious Bias Program

The Unconscious Bias Program fosters more transparent and fair decision-making processes within the organization by developing a common language and understanding. Enabling managers to become more objective and less influenced by biases strengthens employee trust and engagement. As a result, the organization is expected to achieve stronger collaboration, higher employee satisfaction, and a better reputation as an inclusive workplace, leading to improvements in performance and innovation. Additionally, the program is designed to raise awareness about biases and prevent discrimination in the areas of DEI. It was developed with the active participation of company employees as internal trainers on a global scale. A total of 75 training sessions, lasting 3,774 hours, were conducted for 2,516 employees with the involvement of 23 trainers from 39 different countries, and the satisfaction rate (NPS) for the training sessions was measured at 62%. Furthermore, the cost savings achieved through the use of internal trainers in the program was TRY 1,050,000.

2. Future Fit Capability

This encompasses programs and training designed to facilitate reskilling and skill development, equipping both the organization and employees for current and future

Training within the scope of Future Fit Capability, and a total of 390,461 hours of training was delivered in 2024.

roles. Online and face-to-face development opportunities are provided to employees through Development Programs/Functional Academies, Functional and Technical Training sessions, and Foreign Language Training courses.

There are development programs and need-specific training within the scope of Future Fit Capability, and a total of 390,461 hours of training was delivered in 2024.

2.1. Functional Development Programs and Academies

2.1.1. Agile Academy

Our organization fosters the development of agile working teams through the Agile Academy. The program covers training modules that transform organizational structure into agile organizational structures or that support role-based competence development training and leaders' transition to an agile mindset for competence development of teams that adopt agile working principles on a project basis. In 2024, 414 individuals completed 6,754 hours of training through the Agile Academy. The agile working culture persists in Turkey. The company's subsidiaries beyond Turkey have adopted agile working practices in nine R&D centers across six different countries to enhance agile ways of working (Thailand, Russia, China, Romania, Pakistan, and South Africa).

2.1.2. Techpro Academy

Techpro Academy, developed to facilitate access to up-to-date engineering knowledge and promote an academic perspective within our Production and Technology teams, was enriched in 2024 with content on AI alongside topics such as design thinking, data analytics, materials and

process flow, and user experience. Globally, collaboration with NED University in Pakistan was initiated in 2024.

Within the Academy, the TechPro-T program is specifically designed to address the needs of technicians, focusing on enhancing both their technical skills and personal competencies. These programs provide an integrated approach that enables our organization to achieve a dynamic and competitive edge on a global scale. In this context, a total of 8,035 hours of training were delivered to 324 employees in 2024. The satisfaction score for our programs was recorded at 91%.

2.1.3. Technical Academy 4.0

This training program is designed to enhance the technical knowledge and competencies of technicians and operators within the production and technology group in line with Industry 4.0 standards. Centered around key Industry 4.0 concepts such as digitalization, automation, and data analytics, the program facilitates employees' adaptation to innovative technologies while encouraging their active participation in digital transformation in this field. Aimed at accelerating digitalization in production processes, improving efficiency, and raising quality standards, the training program helps participants adapt their existing technical knowledge and skills to the latest technologies.

By the end of the program, technicians and operators gain the competencies needed to align with Industry 4.0 requirements, boosting production efficiency while also supporting workplace safety and environmentally friendly processes. In this context, a total of 4,013 hours of training were delivered to 116 employees in 2024. The satisfaction score of our programs was recorded at 92%.

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2.1.4. MEXT Digital Literacy Training Program

This training program aims to raise awareness among all hourly-paid employees about the effects of digitalization. In this context, various components of digital transformation within the industry, encompassing all stakeholders from suppliers to customers, are analyzed. Furthermore, employees gain hands-on experience with innovative technologies through production simulations. In 2024, a total of 3,840 hours of training were delivered to 480 employees, which led to a satisfaction rate of 99%.

2.1.5. One Marketing Academy

One Marketing Academy continues to offer programs focused on developing the skills that nearly 800 marketing employees worldwide need today and for the future, aiming to transform marketing into a global force for change and enhance synergy across teams. In 2024, specialized certificate training programs for product and brand management, comprehensive training for the data team in collaboration with Koç University, and AI programs for all marketing teams were organized. Certificate programs with international validity are provided in partnership with global partners. Lately, a three-month AI program for the industrial design team has been launched. These comprehensive development programs take a holistic marketing approach, supporting the overall growth of all marketing teams while aiming to strengthen our company's role as a pioneer in driving transformation and making a difference in the industry. As part of the One Marketing Academy programs, a total of 5,691 hours of training were delivered to 526 participants.

2.1.6. Product Academy

In 2024, Product Academy provided various global training programs to enhance the competencies of product and brand teams. The training content of Product Academy, updated to be included in the Beko Learn training platform, aims to provide an effective training experience by enriching it with AI-supported, interactive, high-quality video modules. A total of 400 training videos, created with a focus on digitalization and agile processes, were utilized in various areas including LMS courses, sales simulations, persona development, and storytelling. Practical training sessions were conducted in the Beko Gulf and UK regions within the scope of the Erasmus+ program. In global sessions focused on new technologies, 13 product training sessions were completed, reaching 851 participants in online courses, with a 49% increase in success rate. Practical training sessions reached 47 individuals, with an increased success rate of 57.5%. Product Academy has strengthened its global reach by offering AI-based training videos in multiple languages.

2.1.7. Global Leader

Global Leader is an International Business Management Program organized in collaboration with Koç University. In order to fulfill our vision of "Respecting the World, Respected Worldwide", this program equips participants with essential global knowledge, skills in diversity management, strategies for enhancing efficiency, collaboration across different cultures, and the ability to create synergy. The Global Leader program is designed to develop the participants' competencies in areas such as managing diversity, enhancing efficiency in the implementation of corporate standards, fostering collaboration with different people, institutions, and

A total of 25 participants across six different countries participated in the Global Leader program in 2024, completing a total of 2,410 hours of training.

organizations that can ensure synergy, and representing our company internationally. A total of 25 participants across six different countries participated in the program in 2024, completing a total of 2,410 hours of training. The satisfaction rate of the program was 92%.

2.1.8. HR Academy

HR Academy empowers HR professionals to enhance their strategic competencies and deliver more efficient business processes and employee experiences. The Academy, which provides comprehensive training in critical areas including leadership, organizational development, and performance management, is designed to contribute to both the personal and professional development of the team. A total of 39 participants completed 1,688 hours of training. The satisfaction rate of the program was 14%.

2.1.9. Purchasing Academy

The Purchasing Academy Program is designed to raise employees' awareness in this area while enhancing their knowledge and skills. Developed in collaboration with CIPS (Chartered Institute of Purchasing and Supply), an accredited organization specializing in purchasing, the program provides online training. In 2024, a total of 1,414 training sessions were organized for the Global Purchasing organization and relevant business units, and a total of 78 participants from 8 different countries participated in these trainings. The Purchasing Academy Program is set to continue by incorporating new employees through training sessions in line with the organization's evolving needs.

2.1.10. Supply Chain Academy

The Supply Chain Academy aims to support the transformation of our global Supply Chain functions and develop future competencies. Through this program, our employees will enhance their knowledge and skills, enabling them to contribute to the efficiency of business processes. Transformation projects will be executed more effectively, with cost and time savings, by acquiring digital competencies (such as RPA and process digitalization) and advanced technological skills (including data analytics and AI). The Academy will also contribute to our environmental goals by boosting operational efficiency through sustainability and expertise-focused training, while improving employees' problem-solving skills, increasing organizational flexibility and competitiveness, and reinforcing the culture of collaboration. A total of 3,180 hours of training were completed by 108 participants across 21 different countries, with a satisfaction rate of 71%.

2.1.11. Finance Academy

Finance Academy is designed to equip our Financial Affairs, Financial Planning, Finance and Enterprise Risk units with the essential technical skills and expertise required for the future. The primary goal is to support the transformation of employees and promote the development of future talents across all Finance and Financial Affairs functions by establishing a shared ground and fostering a common knowledge base. It also aims to inspire enthusiasm for learning among employees. A total of 298 participants completed 3,500 hours of training. The satisfaction rate of the programs was recorded as 37%.

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2.1.12. Production and Technology Group Specialization Programs

The program, designed in alignment with the company's current and future competency requirements, focuses on enhancing the technical competencies of engineers, specialists, and technicians working in production, production engineering, maintenance, and production technologies. By providing general and role-specific training enriched with AI, the program aims to enable employees to improve production efficiency and develop a perspective aligned with the company's strategies on digitalization and automation. While empowering employees to contribute to current processes, the program also seeks to ensure their effective adaptation to the company's digital transformation journey. In 2024, a total of 58 participants completed 216 hours of training, with a satisfaction rate of 83%.

2.1.13. Sensor Development Program

Specifically designed for our specialists working in the field of sensor technologies within R&D and related production teams, this program includes a "Basic" development journey focused on core competencies and an "Advanced" development journey offering in-depth expertise. Blending in-person sessions, online platforms, and on-the-job learning methods, the program aims to equip participants with comprehensive skills that will drive innovation and excellence. In total, 28 participants completed 288 hours of training, and the satisfaction score for the program was measured at 92%.

2.1.14. Electronics Development Program

Our employee development program for software and hardware teams, designed to elevate skills and competencies to the next level, provides customized development roadmaps. Specialized training is provided in key areas such as embedded software, robotics, high-speed hardware design, and PCB layout through methods like in-person sessions and online platform-based courses. This comprehensive approach aims to equip our teams with the competence needed to lead in the latest technologies. In total, 30 participants completed 260 hours of training, with the program achieving a satisfaction score of 84%.

2.1.15. Quality Academy

In the year of premium quality, the Quality Academy was launched to support the development of quality teams by focusing on current and future competencies. The program, which commenced in December, aims to contribute to achieving quality targets through competency development. The program will enhance awareness and technical knowledge among employees involved in critical processes, emphasizing their impact on quality. By providing quality teams with a comprehensive perspective on processes, the Quality Academy supports the attainment of strategic goals.

2.1.16. Design Academy

The Design Academy aims to develop the core skills of engineers and technicians within the R&D structural design teams. The program includes CAD Training, Designer Training, and Engineering Training. As part of the program, a total of 207 participants completed 7,956 hours of training. The satisfaction rate of the training was 91%.

In 2024, under the scope of the Future Fit Leadership Academy, a total of 33,095 hours of training was organized.

2.1.17. Digitalization and Artificial Intelligence

To enhance digital transformation opportunities within our company, development programs accessible to all employees are being designed. The programs aim to raise awareness about AI, introduce advancements in the field, and improve participants' competencies. Through internal training sessions held globally each month, both online and in person, a total of 361 participants received 740 hours of training.

Additionally, the Digicrew program is being implemented to enable participants to accelerate business processes and develop team collaboration through training on no-code/low-code application development, robotic process automation, and data analytics tools. This program equips employees with digital skills that allow them to improve business processes and drive innovation, fostering a data-driven work environment. Participants, who are selected quarterly through applications, develop end-of-term projects that they will utilize in their respective work environments until the end of the term. In internal training sessions, a total of 134 participants completed 2,604 hours of training. As a result of this program, 968 tools were developed to streamline business processes.

2.2. Foreign Language Training Program

With the transition of our corporate language to English, we continue to provide support to enhance our employees' language skills in a more focused manner. In this context, customized language training programs are provided based on employees' needs, and their progress is regularly monitored and evaluated. Our goal is to improve employees' adaptability to international collaboration and support the

company's position on the global stage. In this context, a total of 2,346 employees received 57,484 hours of language development training in 2024.

2.3. Internal Trainer Program

Since 2021, we have been training our internal trainers and sharing the company's expertise with our employees in line with organizational needs to enhance the knowledge and skills of our employees, strengthen our corporate culture, and achieve our strategic goals.

In 2024, we globalized our Internal Trainer and Internal Training Program for the first time, ensuring that all subsidiaries benefit from the same knowledge-sharing and collaboration opportunities.

86 internal trainers from three countries were trained.

This year, 1,083 participants received a total of 21,375 training hours delivered. Through this program, a financial benefit of TRY 9,082,084 was achieved within the scope of zero-based budgeting (ZBB).

3. Future Fit Leadership

The primary objective of the Future Fit Leadership Academy programs is to support leadership development while enhancing both the personal and professional skills of employees. The programs are specifically designed for participants at different leadership levels and are aligned with Beko Leadership DNA, helping participants adapt to the company's goals and cultural transformation.

In 2024, under the scope of the Future Fit Leadership Academy, a total of 33,095 hours of training was organized.

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3.1. Future Fit Leadership 1.0

The Future Fit 1.0 program is an approximately eight-month-long development initiative aimed at enhancing the self-awareness of employees targeted for leadership roles, developing their leadership competencies, and preparing them for the next level, in line with the company's goals and strategies. Designed within the framework of the company's Leadership DNA, the program guides participants in discovering their strengths and areas for improvement, helping them grow into leaders who contribute to organizational success. It consists of six modules, each module including online classroom training and group follow-up coaching sessions. The program concludes with participants developing their own innovation projects with the support of group mentoring and presenting them to the program jury. In 2024, the program was attended by 75 employees from 10 different countries, with a total of 2,859 hours of training provided. The satisfaction rate for the program was measured at 92%.

3.2. Future Fit Leadership 2.0

The Future Fit Leadership 2.0 program, designed for leaders newly appointed to their first team management role, aims to equip them with fundamental leadership skills. The program focuses on helping new leaders learn effective leadership strategies, internalize the company's purpose, values, and Leadership DNA, and adopt a shared leadership approach. Spanning 10 months and incorporating various methods and learning approaches, the program includes assessment inventories, one-on-one coaching sessions, online classroom training, and action learning sessions. In 2024, the program welcomed 233 new leaders from 31 different countries. Through this program, our leaders have developed skills in implementing effective strategies,

fostering effective communication, and building strong connections. They were also trained to cultivate a global, visionary, and strategic perspective, through a total of 5,633 hours of training provided in these areas. The program's satisfaction rate was measured at 92%.

3.3. Future Fit Leadership 3.0

The Future Fit Leadership 3.0 program, designed for our senior leaders in alignment with our company's leadership DNA, aims to enhance self-awareness in leadership approaches, cultivate leadership styles, and reinforce collaboration across various departments within the company. The hybrid program encompasses a range of learning components, including assessment inventories, in-person sessions, group coaching, and individual exercises. In 2024, a total of 34 senior leaders from seven different countries participated in the program. The program delivered a total of 891 hours of training, covering topics such as corporate leadership, trust building, diversity, and inclusive leadership.

3.4. Future Fit Leadership 4.0

The Future Fit Leadership 4.0 program is a comprehensive and tailored transformation journey designed to enable senior leaders to create long-term individual and collective impact. Built on the foundation of the company's Leadership DNA, the program adopts a holistic approach. Delivered in a hybrid format, the program incorporates various learning components, including in-person sessions, group workshops, and individual exercises. In 2024, a total of 20 leaders from six different countries participated in the program, with 480 hours of training provided.

A total of 26 of our leaders have attended programs provided by the world's leading prestigious educational institutions.

3.5. LEAD Programs

The LEAD programs are designed to support the professional and personal development of employees in alignment with the company's long-term strategies. Blending theoretical knowledge with practical implementation, these programs aim to strengthen leaders' abilities to think strategically, develop innovative solutions, and achieve competitive success in a dynamic business environment.

In 2024, a wide range of training was offered to local and global participants through LEAD programs. Advanced leadership programs such as PDP, BeGlobal China, and LiderSensin were tailored for senior leaders, benefiting a total of 26 leaders. Additionally, a total of 68 leaders participated in programs provided by world-leading prestigious educational institutions such as MIT and Cambridge in collaboration with Harvard Business School Online and Emeritus. Provided under the umbrella of Koç University Executive Education, programs like MAP, LSI, and In2LEAD hosted a total of 76 participants, including leaders and employees from Turkey.

Through online platforms like Udacity and Udemy, 301 participants from 15 different countries acquired the essential digital skills of the modern era, completing a total of 4,578 hours of training.

4. Training and Development Programs for the Employees of Authorized Services and Dealers

Established in 2016 with the retailing vision of Arçelik Pazarlama A.Ş., Retail Academy ensures training and development of dealers and all sales staff. At the same time, Service Academy has been dedicated to training and developing all authorized service employees, particularly authorized services and technicians, and enhancing their professional qualifications since 1971.

4.1 Arçelik Service Academy

The Customer Services Technical Training Unit (Service Academy) designs, organizes, and implements training programs for the technical and behavioral development of all authorized service employees in Turkey. Needs for the development of business management skills for authorized service owners, managers, and employees are identified, and corresponding training programs are provided by the Service Academy. In 2024, Service Academy has organized and implemented asynchronous, live virtual classroom, and face-to-face training sessions to meet field needs in accordance with the hybrid training system it has adopted.

In 2024, a total of 345,887 person-hours of training were provided to 10,206 authorized service employees across 168 different training modules. While training modules based on on-the-job learning methods and personal measurements are implemented in the training sessions, all training and development processes of the individuals are recorded and monitored with a person-based training management system compatible with new educational science technologies. With the remote training modules incorporated and updated in 2024, training efficiency was enhanced, and continuity of training was ensured.

4.2. Arçelik Retail Academy

Arçelik Retail Academy has been operating since 2016 to support all Arçelik brands in Turkey by enabling sales points to achieve a strong position, implementing modern retail approaches aligned with brand strategies, ensuring sustainable performance development, and enhancing customer satisfaction.

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Since its establishment, Arçelik Retail Academy has taken significant steps toward optimizing user experiences through its infrastructure that offers comprehensive customer-centric training modules and a wide training ecosystem. Recently, the Academy has focused on gamification practices to make training processes more dynamic and engaging, successfully boosting the motivation and performance of dealership owners and employees.

Arçelik Retail Academy provides certified development programs specifically tailored for target groups. These include “Next-Generation Leadership” for authorized dealers in collaboration with Koç University, “Effective Management” for store managers, “Sales Expertise”, “Expert Salesperson”, and “Advanced Level Consultant Salesperson” programs for sales representatives, as well as the “Field Expertise” program for chain channel employees. These programs provide comprehensive and innovative content designed to enhance employees’ job skills while equipping them with competencies aligned with the needs of the modern retail world.

Throughout 2024, Arçelik Retail Academy delivered an average of 11.38 man hours of training to 7,849 different participants, completing a total of 435,737 training sessions. The overall satisfaction score for these training programs was measured at 3.89 out of 4.

The Academy remains committed to closely monitoring industry trends and emerging technologies, better understanding its target audience’s needs, and enhancing the competitiveness of Arçelik brands. By leveraging AI technologies, it aims to accelerate the digital transformation of its training processes while increasing

accessibility through various formats such as webinars, video-based training, and in-person programs. Through its innovative perspective and focus on innovation, the Academy will continue to contribute to the customer-centric strategies of Arçelik brands and create a distinct impact in the retail world.

Performance Management

Our performance system supports the development of our employees and contributes to organizational goals through transparent feedback processes and target-oriented tracking. With its agile and flexible structure, the Koç Dialogue performance system enhances employee engagement, while promoting productivity and collaborative work culture.

During the year-end evaluation term, integration efforts were made to assess methods for achieving business results more effectively and to adopt the Leadership DNA. These efforts aim to evaluate employees’ methods for achieving business results within a framework of a common language, understanding, and set of criteria.

Implemented in Turkey in 2021, Koç Dialogue was also launched in international subsidiaries as of 2023 and will continue to contribute to global performance management processes.

Employee Engagement and Experience

The months of September and October each year are devoted to the employee experience and engagement survey across the Koç Group. Along the same line, Arçelik engages independent research companies to survey the

In 2024, the employee engagement score was 61.40.

topic based on the understanding that employees' loyalty to the organization affects happiness in business life.

Arçelik took part with all its global subsidiaries and completed the process in nearly two weeks. The participation rates were 80% and 90% in the subsidiaries abroad in the 2024 Employee Engagement Survey conducted by IDE Kincentric Consulting using Qualtrics infrastructure.

Employee Engagement Scores (%)	
	Arçelik Global
Score by Salary Earners	
2023	71.34
2024	57.50
Difference	-13.84
Score by Wage Earners	
2023	63.32
2024	63.40
Difference	0.08
Total Score	
2023	65.70
2024	61.40
Difference	-4.30

While the employee engagement and experience questionnaire, repeated annually, is the primary listening survey, the views of employees are monitored regularly through topic-based listening on various subjects and intermittent experience surveys during the course of the year. The 2024 main listening survey results have been used to identify projects that will be ongoing throughout the year to enhance the employee experience. Collaboration with relevant teams has been established to develop action plans.

Below is a summary of the strategies and enhanced processes that were adopted in 2024 to optimize the employee experience.

- Following the pulse survey and other listening sessions in May, emphasis areas were identified, and corresponding actions were implemented accordingly.
- Considering the feedback received regarding break areas and work attire, arrangements have been made that prioritize the health and comfort of our employees in these areas.
- Following the feedback sessions, another focus area, which was senior management visibility and communication, led to C-level executives holding regular meetings with employees through Town Hall and DialogZone sessions. They have gathered with teams in meetings that reinforce team spirit, discussing awards, achievements, and projects. D-level leaders gathered in small groups with different people in facilities, during which they assessed the opinions and suggestions of employees on a variety of matters. In order to ensure the sponsorship of C-level leaders in sports teams, a mentor was designated for each team, and they were scheduled to meet once a year.

Leaders, who are the critical stakeholders with the highest impact on employee experience, continued to be supported in various areas. The development program focused on "Employee Experience," initiated in collaboration with MEXT Academy, was attended by leaders managing the field.

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Hygiene-Related Factors	Leadership Programs	Collaborations	Wellbeing
<ul style="list-style-type: none"> Renovation of physical spaces such as cafeterias, nursing rooms, changing rooms, etc. Setting cafeteria standards. Within the scope of “Workplace that makes a difference” studies, business visits, renewal and standardization studies after identification of deficiencies. 	<ul style="list-style-type: none"> Experience-driven leadership sessions – participation of 1,600 leaders in Turkey Participation of 34 leaders in the Future Fit Leadership 3.0 program designed for mid-level leaders. Participation of 290 leaders in the Leadership DNA Essentials development solutions. 	<ul style="list-style-type: none"> Interaction with HR and employees at locations through site visits. Coordination and consensus in communication with location communication teams. Reaching different personas through coordination with HR at locations. The structure of “Employee Experience Action Coaches” formed by the participation of employees volunteering to enhance the employee experience at each location. 	<ul style="list-style-type: none"> Approximately 15 hobby and social clubs, and sports teams with the participation of around 1,200 employees across 18 different branches. “Beko Volunteers” activities, projects, and NGO partnerships. Informative and supportive “Employee Practices and Initiatives” booklet featuring company actions supporting each dimension of our wellbeing model, covering physical, mental, emotional, and financial aspects.

The “Experience-Focused Leadership Sessions,” planned at different times throughout the year to support all team leaders, have been conducted with the participation of around 1,600 leaders in total. The sessions, totaling six in number, began with general awareness sessions on employee engagement, followed by training focused on effective relationships with the teams based on specific needs. To support leaders in the employee experience, the “Employee Experience Action Coaches” structure was established. Throughout the year, Action Coaches assist relevant leaders in providing insights and identifying actions for employee experience initiatives.

At Arçelik, suggestions from hourly- and monthly-paid employees related to preventing work accidents, improving product quality and/or customer satisfaction, enhancing energy-efficiency in production, protecting the environment, contributing to employee engagement,

improving productivity and cost efficiency, and supporting improvements in process and service quality are submitted for evaluation by the relevant authorities through the online suggestion system.

All suggestions chosen for implementation are scored based on their categories, the areas they address, and the level of improvement they offer. The corresponding “suggestion scores” for each applicable suggestion are calculated and transformed into awards, thereby motivating employees through rewards and recognition.

At Arçelik, successful initiatives that drive the company forward are recognized annually through the “Pyramid Climbers” awards, which are presented under the categories of “Creative Innovators”, “Contributors to the Environment and Society”, “Collaboration Facilitators”, and “Digitalizers”.

Arçelik promotes the physical and mental wellbeing of its employees by facilitating social activities.

“Local Collaborations Project” was carried out in cooperation with “Koç Ailem” to support the purchasing power of employees in cities such as Eskişehir, İzmir, Bolu and Çerkezköy, Manisa, Ankara Bursa and Kocaeli, which were selected as pilots.

Throughout the year, various events have been organized for employees across locations, including “Street Food Festival” and “Ramadan Events”, “April 23rd Children’s Festival” with family participation, and the “Koç Sports Fest” which brought together approximately 2,500 employees participating in sports teams with international representation. Additionally, events aimed at enhancing the employee experience were held on special days specified in the annual activity plan (e.g., Mother’s Day, Women Engineers Day, World Chocolate Day, International Tea Day, etc.).

With respect to the hygiene issues that impact the day-to-day experiences of hourly-paid employees, the “Workplace Visit That Makes a Difference in the Experience” process has been conducted, and measures were taken in line with the identified areas for improvement in physical spaces that fail to comply with location-specific community standards. In this context, two of our locations were selected as “Workplaces That Make a Difference” in the evaluation conducted among companies.

Physical space renovations continue within the scope of the investment in the Washing Machine and Refrigerator Plant (Manisa) and Tumble Dryer Plant (Tekirdağ). With the projects to be completed, the physical space experience of employees will be enhanced in alignment with community standards. The renewal of dressing rooms at the Dishwasher Plant (Ankara) has been completed. A standard for Arçelik break areas was established in collaboration with the Workplace Design Management Team to improve/transform indoor and outdoor break areas across facilities. The needs analysis has been completed for all sites. Due to

savings measures, the transformation has been postponed but will be finalized with the new investment at the Manisa site. At the Çerkezköy Dryer Plant (Tekirdağ), social areas have been completed in line with the new standard. Additionally, the transformation of Lactation Rooms, Prayer Rooms, Changing Rooms, and Vending Machines has been finalized across all locations.

Focus groups and surveys were conducted with monthly-paid employees within the scope of the transformation to a hybrid working model, gathering employee feedback and improving shared office spaces based on their suggestions. An efficient system has been established for hourly-paid employees to manage shifts, workplace changes, and overtime planning effectively, and communication regarding changes in this process has been standardized. To enhance on-site experiences, a “Field Employee Experience Observation Project” was conducted in collaboration with anthropologists at pilot locations, the Cooking Appliances Plant (Bolu) and the Dishwasher Plant (Ankara). All feedback from employees was reviewed with the Plant Management Teams, and necessary action plans were planned accordingly.

Social Benefits Offered to Employees

Arçelik Employee Clubs

Arçelik promotes the physical and mental wellbeing of its employees by facilitating social activities. The company has established hobby clubs in 13 different areas, enabling employees to connect and engage in events tailored to diverse interests:

- Dance
- Outdoor Recreation
- Photography
- Gaming and e-Sports
- Gastronomy

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- Visual Arts Amateur Gardening
- Books
- Board Games
- Music
- Cinema
- Sustainable Living
- Theater

In 2024, members of the Nature Sports Club participated in activities such as snow walking, cycling, skiing, trekking, rafting, summit climbs, and nature walks. Members of the Music Club performed a concert at a company event. As part of social activities, various tournaments including backgammon, chess, PlayStation, and board games are organized at different locations.

Engaging in clubs not only enhances the social and cultural development of employees on a personal level but also fosters collective action, facilitates different business and campus employees with similar interests getting to know each other, and contributes to the strengthening of communication within the company.

Beko Volunteers

As Beko Volunteers, we participated in the commemoration ceremony held in Adıyaman Umut Kent on the anniversary of the February 6th 2023 earthquake.

As part of the “Support for Education Project”, our colleagues, serving as volunteer instructors, provided online course support in Turkish, mathematics, English, and science to middle school students residing in Umut Kent container cities.

On Saturday, March 9th 2024, a volunteer event was organized in Kahramanmaraş Umut Kent with the participation of Mr. Ali Koç. In the event organized by Fenerbahçe Sports Club, Ramadan packages and toys were distributed and uniforms were presented to students studying in Umut Kent schools.

On April 23rd 2024 National Sovereignty and Children's Day, a children's festival was organized in Adıyaman and Malatya Umut Kent container cities, where we provided on-site support as Beko Volunteers. With the participation of our volunteers, we celebrated the joy of National Sovereignty and Children's Day together with over 2,000 children and distributed our gifts. As part of the event, our volunteers took part in the distribution of refreshments, participated in the band performance, and children's games.

On October 29th 2024 Republic Day, our Beko Volunteers, in collaboration with Koç Volunteers, distributed winter supplies to the residents of Umut Kent at the Adıyaman Umut Kent Hakan Kozan Campus. Flags were distributed throughout the city, and the celebration was marked by great enthusiasm.

Our sports teams, established through the voluntary participation of around 1,200 employees are actively engaged in 18 branches.



Arçelik Sports Teams

Our sports teams, established through the voluntary participation of around 1,200 employees across Arçelik campus, plants, and subsidiaries, are actively engaged in the following 18 branches:

- Athletics
- Basketball
- Basketball 3x3
- Badminton
- Bicycle-MTB
- Bowling
- Dragon Boat
- Football
- Cross-country Running
- Spade
- Ping Pong
- Mini Football
- Beach Volleyball
- Chess
- Tennis
- Veteran Football
- Volleyball
- Swimming

In line with their activity plans, these teams participate in various internal and external events with international involvement, representing the company throughout the year. During these events, charity and fundraising activities

are also organized on certain topics, under the guidance of Koç Holding and Arçelik Global Communication Teams.

Arçelik sports teams participated in corporate company leagues, Koç Group Sports Festivals, and various organizations over the year. Within the frame of the Koç Group Sports Festival, which was held for the 35th time in 2024, more than 1,000 employees of our company engaged in various competitions across the 18 disciplines mentioned above and won 12 trophies individually or as a team. At the same time, 66 individuals from eight different countries (Italy, the UK, Russia, Romania, Morocco, Pakistan, the Balkans, and South Africa) represented Arçelik in competing across seven different disciplines (Basketball 3x3, Mini Football, Table Tennis, Beach Volleyball, Tennis, Cross-country Running, and Badminton). Arçelik Turkish Women's Football Team achieved 3rd place, 3x3 Beko Balkans Basketball Team earned 1st place, and in the 6 km trail run, Defy secured 1st, 2nd, and 3rd places, earning spots on the podium.

Arçelik was represented by its Tennis, Table Tennis, and Football Teams in the Koç Group Companies Leagues. In addition to these, Arçelik sports teams have been successful in the following official leagues, organizations and corporate company leagues:

- The Arçelik Basketball Team represents our company in the Corporate Basketball League (CBL).
- In the 12th season of the Fonex Corporate Volleyball League, the Arçelik Women's Volleyball Team became the Champion and secured the gold medal.
- The Arçelik Athletics Team placed first in the "Companies" group of the Zeytinburnu Republic Day Run on October 29th 2024.

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- The Arçelik Swimming Team represented the company in the Istanbul Strait swimming meet.
- The Arçelik Sailing Team represented the company in racing events organized by the Turkish Sailing Federation during the year. They brought home three first-place trophies from the 39th Admiral's Cup.

Arçelik Wellbeing Activities

Arçelik carries out activities in various areas throughout the year to protect the wellbeing of its employees. To support the financial, mental, emotional, physical, career, and development wellbeing of its employees, the wellbeing framework model was designed within the Employee Value Proposition Workplace/Working Atmosphere activation group, formed with global participation, and initiatives and actions were evaluated.

The physical and mental wellbeing of the employees is supported by Koç Healthcare in partnership with the American Hospital with nutrition, psychological counseling, and health services from relevant experts in online sessions in a program that includes different branches. In addition, clubs and sports teams, formed in line with different areas of interest aimed at supporting and developing the social wellbeing of employees, have been active throughout the year.

To enhance the financial wellbeing of employees, financial support opportunities are provided in collaboration with the Koç Foundation. Additionally, different fringe benefit applications, advantageous opportunities tailored for various personas, discounts on company products, and other benefits are offered under the Koç Ailem program.

Regarding the career and development wellbeing of employees, the company supports its employees Through Functional Development Programs, Foreign Language Learning Opportunities, In-House Training, Global

Development Platforms, and Catalog-Based Training. Career development opportunities are offered through the candidate recommendation system and the global internal job posting system.

Industrial Relations

Under its Industrial Relations Policy, Arçelik always respects and supports its employees' right to association and unionization. The company takes care to maintain the peaceful environment at the workplace by acting in accordance with the requirements of legislation and collective agreements as per the relationship of trust it has established with the employees and trade unions. Although they may not be covered in the bargaining agreements, local conditions, customs, and traditions prevailing in the regions and countries where the company pursues operations are paid due regard for the sake of preserving the peaceful working environment.

Within the frame of the Industrial Relations Policy, trade unions are regarded not as a counterparty but as a social stakeholder. Therefore, the company attaches utmost importance to maintain good relationships and act in harmony with trade unions. It is an important target for the company that social stakeholders work under better conditions. In this context, the company engages in collective bargaining agreements, and takes care to ensure better working conditions, occupational health and safety, and other fringe benefits such as birth, death, education, and marriage supports, as well as achieving compliance with the applicable laws.

The new term collective bargaining agreement, effective from September 1st 2023 to August 31st 2025, between the Turkish Metal Industrialists' Union (MESS), of which Arçelik is a member, and the Turkish Metal Workers' Union, was signed on 17 January 2024 and entered into force.

Aside from enhancing existing OHS practices, the company works on developing systems that will minimize human error.

CEMS Program

CEMS is a global alliance that brings together leading business schools, multi-national companies, and non-governmental organizations, offering the CEMS Master in International Management (CEMS MIM) program to outstanding students from around the world to educate and prepare future generations of international business leaders. Through international education and internship/work experience, CEMS MIM supports students in developing business skills, broadening their knowledge of cultures, and exploring career opportunities. Arçelik is the strategic business partner for this significant network that elevates private sector and university collaboration to a global scale.

Occupational Health and Safety

The company has committed to achieving the goal of “Zero Work Accidents and Zero Occupational Diseases” within the framework of occupational health and safety (OHS) and has publicly disclosed this goal through the Arçelik OHS Policy. To achieve this goal, the company is focused on enhancing its OHS culture and incorporating digital solutions through various projects and new technologies.

The company strives to keep up with the rapidly changing working environments in the industry by focusing on innovation and technology. Aside from enhancing existing OHS practices, it works on developing systems that will minimize human error. To ensure employee safety during human-machine interaction, projects are advancing with the collaboration of headquarters and business teams to implement automatic stop systems. These studies further reinforce the company's commitment to ensuring the health and safety of its employees.



OHS Management System Certifications

The company's OHS activities are audited and certified by an independent accredited auditing organization within the scope of the ISO 45001 OHS Management System.

OHS Operations in 2024

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

- Powered industrial truck safe operation project
- Safe OHS behavior projects
- Digital OHS onboarding training project
- Digital OHS training for employees, visitors and contractor personnel

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- Ensuring employee participation through the KoçSistem OHS Software Contractor Module and Mobile Non-Conformance Reporting Module
- In-house OHS auditing
- External OHS Management System Certification Audits
- Line Manager Safety Audits
- Transport, handling and driving safety projects
- Driver safety training projects
- Process safety risk assessments and training
- Safe maintenance project

- Inspection, control, and maintenance risk assessments
- Digital Lock-out/Tag-out Deployment Project
- Management of Change Projects on OHS
- Subcontractor OHS performance assessments
- AI-supported OHS Field Audits
- Digital Chemical and Process Safety Project
- Emergency Information Training and Drills
- Beko Search and Rescue Teams Field Training

Developments regarding Lost Time Incident Rates and OHS Training data for 2024 can be accessed in our 2024 Integrated Report.

(🔗 www.arcelikglobal.com/en/company/reports-presentations/).

Lost Time Incident Rate (%)

Year	Employee	Contractor
2020	2.09	4.23
2021	1.37	2.72
2022	0.90	2.64
2023	1.51	3.21
2024 ⁽¹⁾	**	**

Total OHS Trainings (person x hour)

Year	Arçelik employee	Contractor/supplier	Total
2020	299,331	36,753	336,084
2021	456,145	17,108	473,253
2022	452,387	65,777	518,164
2023	359,303	26,978	386,281
2024 ⁽¹⁾	**	**	**

⁽¹⁾ The results obtained in 2024 regarding Lost Time Injury Frequency Rate and OHS Training Data can be accessed in the 2024 Arçelik Integrated Report (🔗 www.arcelikglobal.com/en/company/reports-presentations/).

Consolidated R&D expenditures increased by 64.4% year-on-year in 2024 and amounted to TRY 8,154,808,000 in value.

R&D & Digital Transformation

R&D

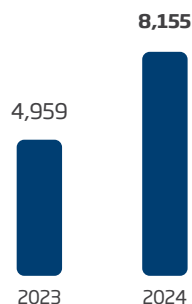
Arçelik is a global company with a strong foundation in technology development, design, and innovation. The company has a total of 30 R&D and design offices: 15 located in Turkey and 15 spread across 10 other countries (China, Egypt, India, Italy, Pakistan, Poland, Romania, Russia, South Africa, and Thailand), whose dedicated teams include more than 2,700 R&D and design personnel. Boasting innovative technologies protected by more than 3,100 patents, Arçelik aims to strengthen its global leadership in the design and manufacture of home appliances.

See “Our Global Footprint” (📄 page 35-36) for a list of Arçelik’s R&D and design offices.

Consolidated R&D expenditures increased by 64.4% year-on-year in 2024 and amounted to TRY 8,154,808,000 in value.

Total R&D Expenditures*

(TRY million)



* The amounts include the effect of IAS 29.

Arçelik’s R&D Vision

Develop new technologies and services with an agile approach for home solutions that are sustainable, smart, digitally secure, interoperable and affordable.

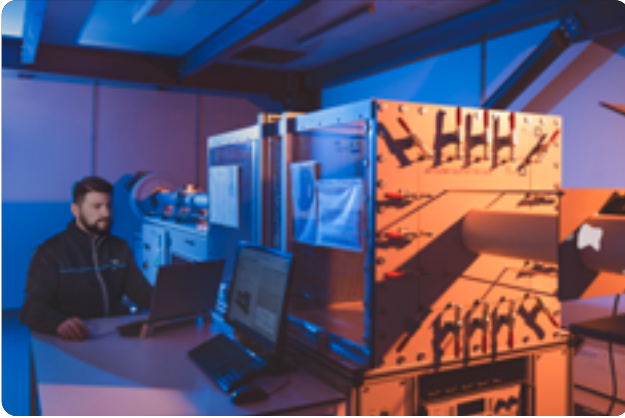
Arçelik’s R&D Strategies

Sustainable Smart Living Areas: Focuses on creating life-easing, sustainable spaces for users concentrating on energy-efficiency and management, autonomous products, frontier technologies for sustainability, machine vision, and personalization.

Home Living Comfort: Focuses on the development of solutions and technologies for air filtration and indoor air quality, water filtration technologies and implementations, food preservation solutions, healthy eating, and personalized healthy food preparation suggestions.

Global and Digital R&D: Focuses on talent management, global cooperation, agile transformation, and approaches for uniform and lean platforms and processes.

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The company manages a comprehensive training program aimed at developing the competencies of its R&D engineers. To date, more than 250 engineers have participated in the CTP Structural Design Competency program, along with other programs in such areas as designing mechanical and electronics systems and inventive problem-solving theory (TRIZ). These programs significantly streamline R&D and product development, enabling the company to provide faster, more effective solutions tailored to meet consumers' needs.

With the aid of annually updated Technology, Brand, and Product Roadmaps, the company anticipates future trends and plans product development activities accordingly, including enhancements to existing products, innovative platforms, and fresh designs, alongside continuous monitoring of technological progress and publicly accessible industry trends.

Artificial Intelligence (AI) and generative AI are now playing a crucial role in advancing R&D, driving innovation, and fostering new discoveries. Machine learning is

revolutionizing materials formulation, allowing researchers to rapidly and accurately identify the structures of new materials that meet desired specifications. AI is playing a transformative role in software development and structural design. In software development, it is improving code generation, code review, and overall software quality. In structural design, it is boosting designers' creativity by taking learning paths into account, ultimately leading to more optimized and innovative solutions.

With the Technology Roadmap process conducted every year by Arçelik R&D Directorate:

- comprehensive literature and patent screening is carried out in technology fields in which Arçelik pursues activities; and
- all alternative technologies are screened and revealed, including the latest ones for the basic functions of Arçelik products.

Through the Technology Roadmap process, topics for research and development are identified and strategically placed on a timeline that spans short-term, medium-term, and long-term objectives. R&D center projects are then executed in line with these roadmapped plans.

The project management infrastructure on which R&D and product development activities are conducted in our company, project, portfolio, and resource management are managed over digital platforms in accordance with the agile methodology. The R&D project management process comprises clearly defined stages and decision points, work flows, roles, inputs/outputs, and responsibilities. Project management process is described on the axis of

The company manages a comprehensive training program aimed at developing the competencies of its R&D engineers.

Technology Readiness Level (TRL) and project types are defined on the basis of the nature and objective of the topic to be worked on.

Originally a unit of the Arçelik R&D Department's IoT cybersecurity team, CyberWhiz has been spun off as an independent company backed by investment from the Koç Venture Capital Investment Fund. CyberWhiz aims to become a leader in end-to-end IoT cybersecurity technologies, serving smart device ecosystems across the consumer electronics, automotives, and electric vehicle charging sectors.

Since their initial introduction in 2021, agile principles and practices have been progressively rolled out. They reached Business R&D in June 2022. With the aim of deepening agile transformation as a culture, role-based training sessions continued to be given alongside basic awareness trainings for the entire global R&D organization; and best practices were shared with Alive Talks, Product Owner and Scrum Master Community of Practice. 2024 saw the successful completion of initiatives to broaden agile transformation and project management practices across subsidiaries in Pakistan, Romania, Russia, South Africa, and Thailand.

The WE-inTech program was launched in 2022 to encourage women to pursue careers in engineering and next-gen R&D fields. Subsequently expanded, the WE-inTech program welcomed another 40 students at a workshop held in Turkey in 2024. The number of female students benefitting from the WE-inTech program has reached 307.

With the 2024 launch of a new R&D center at its Egypt plant, Arçelik is looking to create a major regional hub, capitalizing on Egypt's strengths and strategic location to leverage its own technology competencies. A core element of this strategy is to foster collaborations with top Egyptian universities to amplify impact.

2024 R&D Highlights: Key Products and Technologies

Highlights of new and improved products and technologies rolled out by Arçelik in 2024 are presented below.

- The HomeWhiz smart home platform uses wireless connectivity to allow users to control all Beko appliances and electronics from a single app. This makes it easy to save money by optimizing energy and water use within the home environment.
- CustomWash technology allows users to personalize washing machine and dishwasher programs on HomeWhiz-enabled appliances. The HomeWhiz app allows users to provide feedback on program performance (such as cleaning effectiveness and program runtime) by answering a few simple questions. Through an analysis of user responses, the algorithm dynamically adjusts program parameters. This allows HomeWhiz to provide users with tailored program recommendations aimed at increasing satisfaction and aligning with their specific preferences.

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Refrigerators

- A new technology called Cool on Demand was introduced to the market as a convenient solution that allows still-hot cookware to be placed directly in refrigerators to cool.
- A new 83cm bottom freezer refrigerator, boasting an A energy rating for efficiency and a B sound level for quiet operation, along with AeroFlow cooling technology, went into production. Refrigerators featuring AeroFlow no frost technology offer significant benefits: they keep food fresh for up to 30% longer and help maintain foods' nutritional value by minimizing weight loss as much as 23%.
- As a more sustainable packaging solution that replaces expanded polystyrene (EPS), recycled and recyclable cardboard (EPS-Free packaging) is now being used for some 60cm bottom freezer refrigerators.
- A changeover has been made to EPS-Free recyclable cardboard packaging for 60cm bottom freezer refrigerators.
- SmartFix, a new technology designed to provide early warnings of potential refrigerator malfunctions, has been launched. Utilizing cloud computing and AI, SmartFix analyzes data collected from connected devices and can predict issues up to 48 hours in advance.
- A new AI-powered system has been introduced for use in the company's internet-enabled refrigerators. This system analyzes users' habits and real-time environmental conditions, making adjustments to reduce energy consumption. The feature is called OptiCool in Arçelik-branded refrigerators and CoolAdapt in those with the Beko brand.

- Beko Europe has rolled out a new approach for mounting built-in refrigerators. The brand's latest models feature innovative, robust, and concealed mechanisms designed to improve the overall look and feel while delivering a premium user experience.

Compressors

- Rigorous standard and accelerated lifetime testing conducted by Germany's VDE Testing and Certification Institute has resulted in the company's inverter-compressors being awarded 25-year lifespan certification in recognition of their durability and long-term reliability.
- Acknowledged to be the leading energy-efficient inverter compressor technologies in mini and midi compressors, Hybrid and Alfa COP+ products have been introduced to the market.

Washing Machines and Washer-Dryers

- In 2024, the company launched ColdWash, a revolutionary laundering technology that achieves the same level of cleanliness as a 40°C cottons program, but at a significantly cooler 15°C. Specially engineered drum movements dissolve detergent faster and more effectively while also increasing water-laundry contact to achieve deeper cleaning. ColdWash achieves remarkable savings of up to 82% of the electricity and 55% of the water that needs to be used in a load.
- Newly introduced washing machines available in 6-12 kg capacities offer EnergySpin and ColdWash technologies along with innovative features like A-50% energy rating, automatic dosing, and microfiber filtration.
- The company's first autonomous washing machine with an A-10% energy rating, auto-dosing, and auto-rinse technology has gone into production. 24% of the

machine's weight consists of recycled materials. The auto-dosing feature ensures proper detergent use and also reduces the appliance's carbon footprint by 32% over its useful lifetime.*

- The company launched a new line of washer-dryers offered in 12/8 kg and 10/6 kg capacities. These models boast EnergySpin and ColdWash technologies, automatic detergent dosing, and an A/D energy-efficiency rating.
- Beko has entered the European-style top-loading washing machine market with the launch of its first models.
- HomeWhiz app users with compatible, WiFi connected washing machines now have access to Energy Water Monitoring. This feature provides detailed information about electricity and water use for every wash cycle and selected function.

Dishwashers

- Two new dishwasher models took center stage at the 2024 EuroCucina Fair. The first, a world-leading innovation, features integrated heat pump technology and an A-20% energy rating. The second, a premium model integrated designed for compatibility with heavy kitchen cabinet doors, expands the range of the company's high-end offerings.
- The company has transitioned to using recycled materials such as ABS and mineral-filled polypropylene in the production of various dishwasher parts. This changeover boosted the overall content of recycled materials in its dishwashers to 26.1% of total weight as of 2024.

A new dishwasher model, a world-leading innovation, features integrated heat pump technology and an A-20% energy rating, took center stage at the 2024 EuroCucina Fair.

- The company has launched a new series of dishwashers that can connect to the internet and receive program software updates to ensure that they stay current with the latest features and performance enhancements.
- A new feature called SilentWash has been introduced in some dishwasher programs. When activated, SilentWash reduces noise by up to 2dBA.
- An innovative new dishwasher spray arm technology called PowerIntense has been developed. PowerIntense uses satellite sprayers to target hard-to-reach corners, ensuring a more effective wash during heavy-duty cycles.
- A new smart drying technology called EcoFocus has been developed and rolled out for dishwashers. This system is designed to provide energy savings of up to 25% on all program cycles.
- Beko Europe has launched a new dishwasher featuring an A energy rating, a 3-tier design, a large interior, a quiet 38dBA sound level, a 16-place setting capacity, and a robust 15 kg hinge.

*Carbon emissions may vary depending on the usage phase of the consumer. The main factor in reducing carbon emissions in the machine is the use of liquid detergent. The specified values are calculated by taking the Arçelik 10140 PM washing machine as reference.

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Laundry Dryers

- A new compressor design developed for products with an A+ energy rating improves their energy-efficiency by 12%.
- A new compressor design developed for products with an A++ energy rating improves their energy-efficiency by 12%.
- Recognizing that consumers in the UK and in Nordic countries are in the habit of installing their laundry dryers in unheated spaces such as garages, Freeze Guard technology has been developed for the heat pump dryer line to ensure optimal performance even in such cold environments.
- Arçelik's Pet Hair technology for laundry dryers has been independently verified by France's Research Institute for Textile Care and Cleaning (CTTN) to remove 95% of pet hair from textiles, based on a test of three t-shirts in an 80-minute drying program.
- As part of ongoing efforts to improve the sustainability of its laundry dryers, the company has increased the amount of recycled plastic used in the manufacture of interior plastic components to 38% of the total.
- The company has redesigned its laundry dryer packaging to use recycled cardboard instead of EPS foam components.

Cooking Appliances and Kitchen Hoods

- A new platform for standalone ovens has been launched that features improvements in cooking performance, energy-efficiency, and a redesigned control system for a better user experience.
- A new induction cooktop platform marketed as Quattro has been released featuring an expanded cooking surface and a slim design optimized for high power transfer. This combination of features makes these cooktops highly competitive and compatible with a wide range of kitchen furniture and styles.
- The company's newly introduced Pars induction cooktop platform boasts features that make it a competitive newcomer in the market. These include universal kitchen size compatibility, ultra-slim design, improved energy-efficiency, smart pan detection, and an intuitive user interface.
- New 3 glass inclined hood is added to the portfolio. These models have been designed to accommodate a variety of kitchen layout and aesthetic requirements.
- Allowing users to cook on up to three trays at once, Beko Europe's newly launched 45 cm BI Microwave Oven boosts a class-leading 52-liter capacity and 360° cooking (microwave, baking, steaming) capabilities.

A new QLED-enhanced Google TV platform has been rolled out across a wide range of screen sizes, from 43-inch to 75-inch.

- Beko Europe has developed and launched a new line of ovens featuring advanced sensor technology compatible with microwave cooking. Equipped with automatic temperature control and automatic shut-off features, these ovens are designed to handle everything from meat, fish, breads, and cakes to sauces, soups, stews, puddings, and custards.
- Taking cooking automation to the next level, the company launched its first camera-equipped oven at the 2024 EuroCucina Fair. This innovative appliance uses AI to recognize food and initiate the cooking process automatically while also allowing for remote monitoring.

Televisions

- The company's in-house OLED TV production investments have led to the design of new 55-inch and 65-inch OLED televisions. A new QLED-enhanced Google TV platform has been rolled out across a wide range of screen sizes, from 43-inch to 75-inch. A mobile TV remote control app developed to further enhance the user experience has received the prestigious "iF Design 2024" award. In response to growing demand for larger screens in Turkey, the company has begun selling its 85-inch UHD and 98-inch QLED TV models in the country for the first time.
- The company has developed and launched new UHD and FHD screens designed specifically for compatibility with the Arguest Android Hotel TV application.
- Enhancing meeting room technology, Arçelik has developed and deployed ArMeetroom, a display management solution that runs on a 10.1-inch screen.
- A new industrial-grade display solution has been introduced, designed specifically for window and storefront installations. This high-brightness (3,000 nits) display is powered by Android, features the Arsigna

content management application for convenient content and device control, and is built for reliable 24/7 operation.

- Arçelik's Arsigna application, a comprehensive solution for managing content and devices, has been further improved with enhancements and seamless integration with SimpraPos to better address the needs of the retailing industry.
- To meet the needs of indoor digital signage, the company has released a new line of LED poster displays. These displays come in 80-inch and 90-inch screen sizes and offer a choice of 1.5 mm or 1.8 mm pixel pitches.
- Arçelik has designed and begun manufacturing a line of bifacial solar panels. These panels leverage both Perc and Topcon solar cell technologies to maximize energy output from both sides of the panel.

Small Home Appliances

- A newly developed fully automatic espresso machine boasts a 2.4-inch touch TFT screen, four coffee strength settings, and 4+1 user profiles. It offers 18 beverage modes, a patented cold brew function, and convenient features like an eco-mode, voice control, and remote updates. WiFi connectivity enables remote control via a mobile app. The appliance also includes water hardness adjustment and an advanced water filter accessory.
- A new semi-automatic espresso machine offers exceptional versatility with its dual portafilter. It accommodates ground coffee, Easy Serving Espresso (E.S.E.) pods, and even Nespresso capsules using a special piercing tool. Four beverage modes and an automatic integrated milk container complete the package.

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- A new cordless vacuum cleaner featuring an automatic cleaning station has been launched. The appliance is powered by a 25.2V, 2,500 mAh battery and offers 150 AW of suction. Its multi-cyclonic filtration system separates fine dust from the air, ensuring consistent performance. An LED screen provides real-time information to the user. The vacuum comes with two main brushes: one for carpets and another with dual rollers for hard floors that effectively cleans edges and corners. The automatic cleaning station conveniently empties the dustbin without requiring any manual handling.
- A new innovative steam-assisted air fryer has been introduced. The appliance features a 7-liter capacity, 8 cooking programs, dual heaters, and steam-assisted cooking technology for versatile cooking options including stews, breads, and pastries. This method also helps preserve nutrients more effectively than traditional steaming.
- A new Turkish coffee maker, Telve Duo, has been launched. This appliance features voltage adaptation for 120V 60Hz North American outlets and complies with all UL fire and safety standards.
- The newly-introduced Telve-X Plus Turkish coffee and milk beverage maker is an innovative small home appliance that features traditional, embers, and milk drink modes, a protein preservation algorithm for ideal milk coffee temperature, and a premium design for superior performance.
- The HomeDirect mobile app now features a convenient "Consumables Management" page within the robot vacuum interface. This new page allows users to easily track the remaining lifespan of essential spare parts, including side brushes, main brushes, and filters. In addition, a "Battery Health Tips" page has been introduced for rechargeable products to provide helpful information and guidance on battery maintenance.

R&D Collaborations with Arçelik's Global Stakeholders

Mentoring was provided to a total of 130 firms since July 2022 under the Horizon Europe Mentoring Program launched for the Koç Group stakeholders. The mentoring program has been set up to maximize the benefits of Horizon Europe processes for Turkish industrial concerns. This program leverages the expertise of Koç Group employees through their active involvement in framework programs. These personnel subsequently mentor stakeholders and increase their awareness of Horizon Europe processes.

The company's success in Horizon Europe is enabled by the international network the company has established in this department. Arçelik is involved in intensive networking with the other leading companies in the sector, research institutions and academicians, and plays an important role in innovation and technology development. The company harvests its know-how derived from this extensive network and various expertise areas, and unveils its potential for generating sustainable solutions. Demonstrating its commitment to partnership and collaboration in Horizon Europe projects, our company secured approval for 12 more projects in 2024. Six of these, including five under the EIT Manufacturing initiative, will be conducted at our R&D facilities in Italy and Poland.

ACCOMPLISH: A new initiative at the Cassinetta refrigerator production facility is set to improve the wellbeing and productivity of the workforce in robotics and manufacturing. This project will specifically focus on creating sustainable job opportunities for people with disabilities and on enhancing ergonomic standards to ensure a safer and more comfortable work environment.

AID4SME: This project utilizes AI and image processing technologies to optimize refrigerator manufacturing. The project's primary objectives are to minimize waste

polyurethane and enhance efficiency through automation in various production processes.

BIOSAFIRE: This project aims to develop innovative, bio-based flame retardants that are both environmentally friendly and highly effective. Utilizing lignin and tannin, these flame retardants will be safe for use in a wide range of industries, including maritime, rail, home appliances, and wood coatings, offering a sustainable and high-performance alternative to traditional flame retardants.

ENCIRCLE: This project will explore technologies and business models that support the ecofriendly design and manufacture of products, along with lifecycle tracking using digital product passports. The project will also explore predictive maintenance by alerting users to potential failures, as well as enabling the repair and reuse of products at recycling centers to make them usable under more attractive conditions.

RENEE: This project aims to revolutionize remanufacturing in Europe by leveraging AI and advanced robotics to create adaptable and efficient processes within circular value chains. The project's core focus is on developing human-centered production systems that employ advanced robotics and AI to enable the remanufacturing of used products in a variety of conditions.

REUMAN: This project is focused on enabling a human-centered and digitally enhanced transformation of the remanufacturing sector in Europe. With a goal of contributing to sustainable practices by saving energy, materials, and functionality, the project seeks to develop innovative solutions. These solutions will aim to improve traceability within the automotives, home appliance, and optoelectronics industries, optimize the remanufacturing process, and enhance the integration of human workers into the process.

The company's success in Horizon Europe is enabled by the international network the company has established in this department.

STUNNED: This project is designed to lower overall energy demand from end-users, integrate renewable energy sources into diverse energy management systems, and maintain stability in connections with the main electricity grid. Our company's contribution to the project will involve developing features for dishwashers and washing machines that allow users to select energy-saving options during periods of peak grid demand. We will also ensure compatibility with the project's energy management tool by facilitating cloud-to-cloud data exchange through our HomeWhiz platform.

In 2024, our company played a key role in facilitating project collaboration by hosting consortium meetings for the Freeme and LoLiPoP-IoT projects. Additionally, we also actively participated in the Ecofact project, a joint endeavor with Koç University, by co-hosting the consortium meeting held in İstanbul.

Our company has demonstrated its commitment to digital innovation by becoming the first private-sector entity in Turkey to have a project accepted into the prestigious Digital Europe Program. This EU initiative, with a substantial budget of EUR 8.1 billion, seeks to strengthen digital competitiveness, reduce disparities in digital access, and improve the availability of digital services for all. We continued our involvement in 2024 with the acceptance of two more projects by the program.

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CIRPASS2: This project will pioneer the development of digital product passport (DPP) applications in Turkey, enabling comprehensive tracking of products across their entire lifecycle. The initial focus will be on cordless upright vacuum cleaners, with the goal of improving repair process efficiency through the implementation of DPP technology.

CYBERSEC40T: This project aims to enhance cybersecurity awareness and skills across the manufacturing sector by developing targeted training content for Industry 4.0 and operational technologies. To this end, the project will include employee training programs and on-site workshops to demonstrate measurable improvements in cybersecurity outcomes.

Additionally in 2024, we received approval for the Biodesign4Insulation project under the Eurostars program and for the SOSIS project under the ITEA4 program.

BIODESIGN4INSULTION: This project aims to create more sustainable products by reducing reliance on petrochemicals and increasing the use of bio-based materials. The project will focus on developing innovative polyurethane (PU) materials using bio-polyols and bio-additives, ultimately leading to improved thermal insulation in refrigerators and pipes, along with enhanced vibration and sound insulation in dishwashers.

SOSIS: The SOSIS project centers on developing models to improve software quality, ensure interoperability between systems, and promote software reusability. Our company's goal under this project is to provide reliable and efficient software development processes.

LoLiPoP-IoT (www.lolipop-iot.eu/), one of more than 30 international projects we are currently involved in, aims to create energy harvesting and micro-power management solutions for wireless IoT edge devices. The project focuses on integrating long-lasting batteries within, on top of, or in close proximity to, equipment. These solutions will extend the operational lifetime of sensors by making

the sensors more energy-efficient. The use of wireless sensors will facilitate data collection across a range of key areas, including anomaly detection, efficiency analysis, and performance monitoring. This data will provide valuable input that can enable businesses to optimize their operations and achieve greater efficiency.

Collaborative Projects with National Funding Mechanisms (2024)

In 2024, many of our projects have been continued with the support of Turkish national funds. In this context:

- 1 project under the Ministry of Industry and Technology, General Directorate of National Technology, Pre-Competitive Collaboration Project (RIP)
- 1 project under the Technology-Oriented Industry Move Program
- 2 projects under the TÜBİTAK 1004 Center of Excellence Program
- 6 projects under the TÜBİTAK 1071 Support Program for Increasing Capacity to Benefit from International Research Funds and Participation in International R&D Collaborations
- 7 projects under the TÜBİTAK 1505 University-Industry Collaboration Program
- 1 project under the TÜBİTAK 1509 International Industrial R&D Projects Support Program
- 1 project under the TÜBİTAK 1515 Leading R&D Laboratory Program
- 1 project under the 1707 SME Support Call for Order-Based R&D Projects
- 1 project under the 1707 SME Support Call for Order-Based R&D Projects
- 1 project under the TÜBİTAK 1709 - Eureka - Eurostars Program

Arçelik's digital transformation strategy centers on creating new value through sustainable and scalable solutions.

- 2 projects under the 1711 Artificial Intelligence Ecosystem Call Project
- 10 projects under the TÜBİTAK 2244 Industrial Doctorate Program

have been continued.

We continued to actively engage in developing qualified human resources by expanding and diversifying collaborations on undergraduate capstone projects in 2024. Our company sponsored the creation of a dedicated study hall at Bilkent University for undergraduate thesis students. This new facility is now open and ready to serve the needs of students and faculty alike. Our company is committed to bridging the gap between academia and industry. The first group of students has successfully completed their research and development assignments in our long-term program with Yıldız Technical University under the KOOP Protocols.

Digital Transformation

Arçelik's Digital Transformation Approaches and Strategies

Arçelik's digital transformation strategy centers on creating new value through sustainable and scalable solutions. By putting the customer first, the company aims to rapidly respond to changing post-pandemic needs through the application of advanced digital technologies. A key component of this strategy is the development of a skilled workforce capable of effectively managing these technologies.

Digital transformation efforts are primarily focused on four key areas:

- Customers
- Consumers and employees



- Organization, processes, and systems
- Products and services

Arçelik is committed to transforming its operations and adding value to its entire ecosystem by embedding digital transformation into the company's DNA. Arçelik manages its digital transformation processes by adhering to key principles that address transformation needs, target problem areas, and ensure strategic alignment. The company's primary objective is to select and implement digital solutions that maximize value creation for its customers, employees, and the organization as a whole.

For 2024, the following focus areas were identified for digital transformation:

- Enabling organic and inorganic growth
- Next-generation enterprise resource planning
- Digital transformation of the global supply chain
- Sustaining digital production
- Enhancing global Direct to Consumer (D2C) capabilities and after-sales operations
- Increasing efficiency and productivity
- Data governance and transformation using AI

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A significant step in our inorganic growth strategy was the addition of the Beko Europe BV joint venture to our organization in April 2024. Careful planning for the integration of Beko Europe BV, including the development of resources like the Beko Europe Hub intranet, Microsoft Teams, and consolidated reporting systems, facilitated a seamless onboarding process. To optimize costs and service quality, projects have been launched to transition away from existing TSA (Technical Service Agreement) services, with the goal of ending these by September 2025.

Arçelik Hitachi has made substantial progress in its digital transformation journey with the completion of the Enterprise Resource Planning (ERP) platform deployment project. This project has successfully transformed our factories in Thailand and China, along with our sales subsidiaries across Thailand, Taiwan, Singapore, Hong Kong, and China. Building on previous successes, Arçelik Marketing initiated the transformation program for its next-generation ERP platform in 2024.

Under our project aiming to create synergies between Whirlpool EMEA and Beko's European subsidiaries (now operating under Beko Europe BV), we successfully

adapted and integrated the demand planning, order management, and shipping processes of both companies by the end of 2024. This integration has resulted in a smooth, automated, efficient, and value-driven operation. Additionally, projects focused on supply chain network design and adaptation were implemented to improve efficiency and reduce costs in European logistics operations.

Our digital supply chain initiatives – including ALBA for real-time visibility across international operations and Lotus for optimizing product distribution within Turkey – streamlined logistics, lowered costs, and reduced carbon footprints. As a result of an upgrading of the Factory Exit Cost System, cost analyses can now be performed more accurately and faster; plan-versus-actual comparison reporting has also been enhanced.

The Profitability Simulation Project supports the company's decision-making processes by performing profitability analyses under different scenarios. Inflation Accounting Infrastructure serves as a crucial tool for accurately processing and analyzing the effects of inflation on our financial performance as well as ensuring statutory and regulatory compliance.

The establishment of standardized backbone systems in new factory deployments remains an important digital manufacturing strategy priority for the company. This approach will ensure consistent standards and drive efficiency gains across our manufacturing operations. We have successfully rolled out manufacturing execution system (MES) backbone systems at our factories in Egypt, Manisa, Ankara, and Bangladesh. Materials management has been improved through the deployment of the materials management system backbone in a number of factories.

A significant effort has been made to improve quality through digital transformation, with 110 projects undertaken across production, logistics, maintenance, and management systems.

We have integrated a newly developed Electronic Card Analysis Program (ECAP) into our quality backbone system. This enhancement allows users to analyze electronic cards more easily. Working with local Digital Manufacturing Systems (DMS) and business units, we designed and implemented solutions for the Beko Egypt Cooking Appliance, Refrigerators and Dishwasher Plant, as well as for the Eskişehir Refrigerator Plant - Factory 6. Production has now commenced at both locations.

A significant effort has been made to improve quality through digital transformation, with 110 projects undertaken across production, logistics, maintenance, and management systems. This included 31 projects at our overseas facilities and 50 projects carried out among our suppliers. In partnership with Koç Digital, we launched the "Factories of the Future Initiative." As part of this initiative, the Digital Control Center (DCC) and four AI projects were successfully deployed as of end-2024.

AI has proven instrumental in enhancing quality across both production and quality management processes, yielding notable improvements in perceptual and other quality metrics. Our MOST digital production maintenance platform has also expanded significantly, now serving 24 factories, 14 suppliers, and over 85,000 individual business assets. This platform has delivered significant improvements that include a 38% reduction in production downtime due to maintenance, a 3% decrease in average repair time, and a complete 100% enhancement in the traceability of all maintenance operations.

Putting the customer first, our company is dedicated to creating a seamless and positive experience at every touchpoint. We are constantly evolving through digital transformation and the development of innovative solutions across our diverse sales channels, which include consumers, authorized dealers, and chain stores. Our global channel management platform, launched in 2022, has transformed the ordering process for our B2B customers.

By digitizing manual orders, we now offer them a seamless and efficient experience comparable to that enjoyed by B2C customers.

Our customer experience platform, Oliz, is a modernization initiative aimed at increasing customer touch frequency, expanding the visibility of our company's brands, products, and services, and broadening the opportunities offered to customers through various partnerships. Our retail enterprise resource planning platform, which manages sales, inventory, accounting, and warehousing, has been successfully rolled out to approximately 3,000 dealers and five retail locations. This platform includes comprehensive setup, thorough training, and post-go-live stabilization to ensure a smooth transition.

The entitlement verification and payment portal aims to prevent improper entitlement payments, resulting in significant cost savings. The payment gateway system allows customer credit card transactions to be transferred directly to Arçelik Pazarlama A.Ş. accounts.

We have enhanced our performance motivation and loyalty platform for authorized dealer and service center employees. The platform now benefits from a more robust and securer infrastructure. We have introduced a feature that lets dealers work with several banks.

Our centralized product content management platform, which stores and enriches product data, has proven to be a cost-effective solution, generating approximately 57,000 documents per month, a significant improvement over the previous system.

We are undertaking a range of comprehensive projects focused on enhancing our after-sales services and ensuring the highest levels of customer satisfaction.

We have expanded the reach of Sirius, a platform designed to provide transparent tracking and management of

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after-sales service operations. It is now being used by our subsidiaries in Beko Benelux, Arçelik Hitachi, and North Macedonia. A key benefit of this platform has been a reduction in both repeat repairs and product replacements.

Migrating our call center platform to a modern cloud architecture has yielded significant cost savings in voice and digital channel management. This upgrade represents a substantial modernization of our customer support infrastructure.

Our Connecta platform is driving efficiency across the organization by digitizing human resources, expense management, invoicing, and purchasing workflows. A key initiative within Connecta is the International Travel and Expense project, which aims to provide a seamless and streamlined global travel and expense experience.

The Sustainability Digitalization project has streamlined our sustainability reporting processes by digitizing operational data received from factories. The tangible results include increased efficiency and demonstrable progress in sustainability improvements.

The integration of Beko Europe has included onboarding sales and marketing staff onto the company's personnel training platform, Beko Learn.

The company takes organizational measures and conducts projects across all levels of information technologies and operational processes in order to minimize information security risks, prevent potential losses in reputation, revenue, market share, and brand value that may arise from related risks, and increase customer satisfaction. The information security processes align with the ISO 27001 Information Security Management Certificate. Furthermore, the Cyber Security Unit, operating under Information Technologies, identifies the company's Cyber Risk profile and implements existing risk control strategies and assessments to minimize cyber risks. Efforts to ensure

the safe integration of productive AI technologies into business processes and to manage other risks posed by relevant technologies are conducted in collaboration with the Cyber Security Team and the Artificial Intelligence Team, in line with the company's strategy in this area.

To achieve its vision of "Be the company that makes the best use of artificial intelligence", Beko launched a comprehensive AI transformation program in 2023. More than 2,000 employees took part in AI training in 2024 with more than 140 of those receiving certification as "AI Champions". A Beko AI portal was launched along with a program for testing AI-enabled tools.

The AI Transformation Office spearheaded the development of over a hundred AI initiatives and brought 27 of them to fruition in 2024. AI assistants have now been deployed on Beko's AI platform. We have also launched projects designed to enhance our after-sales service capabilities, including call center analytics and a technician coach application, both of which provide valuable insights into our customer base. In the United States, customer satisfaction measurements are already being conducted entirely by means of AI-managed calls in some cases.

Trained on our proprietary data, our company's AI models are facilitating the rapid development and deployment of new ideas in both content creation and design. The use of AI avatars allows for the efficient and economical generation of product training content in a wide range of languages. Localization is achieved through the use of translation services for both user manuals and applications employed in global operations. We also leverage AI tools for faster and more cost-effective content creation. Website product descriptions are generated in all required languages with the assistance of AI. In Turkey, the use of AI-assisted demand forecasting models has led to more efficient order and inventory management practices. AI research is being carried out across our operations as part of the "Factories of the Future" program.

The Beko Global Data Governance Team has formulated a comprehensive data governance model to address the fundamental requirements of data- and AI-based initiatives. Designed in partnership with Koç Holding, this model aims to provide accessible, high-quality data while adhering to all mandatory regulatory standards. Focusing on the organizational ownership and management of data related to HR, product, and customer processes, work began on this model in 2024. Eight data committees were established and 74 data-ownership roles were identified.

Our company uses AI models to rapidly bring innovative content-creation and design ideas to life. We have developed a comprehensive data governance model to support our data and AI efforts. We have also begun consolidating diverse data sources across the company under a central data lake architecture. This architecture not only supplies data to the AI and analytics layers but also simultaneously ensures the democratic accessibility of company-owned data assets. The data democratization process allows each business unit to securely access whatever information it needs for the conduct of its own operations while also enhancing data accessibility for data analytics and AI projects.

The Developer AI project has been exploring AI usage scenarios within the software development lifecycle. Significant outputs from this project include the Developers GPT bot, the implementation of a Github Copilot, and the development of two products in collaboration with Bilkent University.

The ITEA4 - SmartDelta project is a collaborative effort involving various industry players, academic institutions, and technology providers working together as a consortium. Focused on optimizing and improving the efficiency of software development processes through data analytics and AI, this project has created and rolled out a Software Engineering Analytics Dashboard. Under

Our company's AI models are facilitating the rapid development and deployment of new ideas in both content creation and design.

SmartDelta, 68 metrics are measured and calculated for 10 projects every day. ITEA4 may also be considered the first project of Software Factory's "Center of Excellence" (CoE) processes.

Through these initiatives, software development capacity has been increased by 25%, all while maintaining current staffing levels.

The AI Platform now hosts five distinct bots and three integrated applications/APIs in a live or pilot environment. These bots have already facilitated 14,000 dialogues. In our testing environment, we have 48 bots and 10 API applications ready for deployment.

Electronic Data Interchange (EDI) technology has been instrumental in the completion of 17 projects aimed at improving operational efficiency within our corporate systems.

During 2024, a total of 84 customer/message combination development and rollout models were deployed.

New or expanded logistics warehouse integrations (3PL) are now operational in Czechia, Israel, Italy, Kenya, and South Africa.

A Mulesoft-based Integration Control Tower that allows for comprehensive monitoring of Beko integration layers is now operational.

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Collaborations with 10 universities have been conducted for innovation in current digital projects, including project and thesis academic partnerships.

To enhance the security and management of Beko Europe employee accounts, an integrated cloud-based system was deployed to efficiently manage access rights for 26 applications in 2024.

Along with this, considerable improvements were made in Digiport's security, performance, and stability. These enhancements have boosted the user satisfaction rate from 71.2% in 2023 to 73.3% in 2024 and cut the average support ticket response time from 15 seconds to 6 seconds.

Working collaboratively with the national and international innovation ecosystem, universities, and technology partners, our IT department carries out its projects through the Digital Transformation, Big Data & AI R&D Center. A report of the Center's 2023 operations submitted to the Ministry of Industry and Technology was approved in 2024.

Since 2022, we have been collaborating with Bilkent University's Department of Computer Engineering on the international SmartDelta R&D project within the EU Eureka ITEA cluster. This project is a key initiative for developing our Software Factory Cloud-Based Microservice Architecture platform.

We secured grant funding in 2024 for a Cybersecurity R&D project application submitted to the Digital Europe program jointly by our IT and Cybersecurity Teams. This brings the number of our company's projects that have been funded by Digital Europe to two.

Collaborations with 10 universities have been conducted for innovation in current digital projects, including project and thesis academic partnerships. In Information Technology, we collaborate with a total of 12 universities within the scope of PREP, a long-term internship program for 3rd and 4th year undergraduate students conducted together with the Computer, Industrial, and Software Engineering departments of universities.

In these and similar undertakings, our primary goal is to ensure the continued success of Beko products and services in the global marketplace by leveraging innovative digital products and solutions developed through collaborative projects and academic partnerships.

Advanced Production Technologies and Industry 4.0

Our Advanced Production Technologies and Industry 4.0 Approach

Arçelik makes digital transformation central to its manufacturing operations, with the aim of developing its own production technologies and cultivating its own competencies. Our efforts to transform existing factories into "smart" ones continued in 2024. This involves using digital transformation to increase automation and achieve real-time integration of all processes, both horizontally and vertically, enabling production systems to adapt to changes with greater agility.

Functioning also as an R&D center, our Production Technologies Team actively collaborates with universities, research institutions, and startups, both in Turkey and in other countries. These partnerships generate successful outcomes by focusing on investigating new technologies, developing valuable use cases, and deploying them in our factories.

Driven by these initiatives, Arçelik factories continue to stand out as global leaders in Industry 4.0 processes, deploying and showcasing advanced technologies such as AI, machine learning, robotics, and sensor technology in innovative ways.

In 2024, Arçelik reached a new milestone in its digital transformation journey when another of its factories was selected to join the World Economic Forum's Global Lighthouse Network, a community of leading manufacturing facilities that showcases the benefits of Industry 4.0 technologies. The Ankara dishwasher plant is the latest Arçelik facility to be recognized as a Global Lighthouse, joining the Romania Ulmi washing machine and Eskişehir refrigerator factories.

The dishwasher factory has made significant gains by leveraging Industry 4.0 applications to optimize its production processes. Through the deployment of smart control systems, AI-powered prediction models, advanced automation systems, and a comprehensive, end-to-end digital production management platform, we have reduced costs, increased energy-efficiency, and improved product quality.

By implementing AI, machine learning, and autonomous systems in the factory, digital transformation costs were reduced by 26.1%. A 23% reduction in carbon emissions was also achieved through the deployment of digital solutions. The factory has successfully undergone a digital transformation, integrating all its core systems with a proprietary digital IoT infrastructure. This digitally advanced facility collects 5.2 TB of data daily and utilizes 171 robots. Mechanical production operations are 90% automated, enabling the manufacture of dishwasher inner tubs, for example, to be carried out without human intervention. Energy costs have been reduced by the installation and commissioning of a 122 MWp solar



power plant. 65% of the workforce have undergone 4IR (Industry 4.0) skills development through a targeted mix of OJT, technical academies, collaborations with academic institutions, and online learning platforms such as Udemy and Coursera.

Production Management

At Arçelik, we analyze data generated during production in our facilities to design new systems that are not only high-quality, efficient, and flexible but also capable of self-improvement. Priority is given to the development of IT infrastructure resources capable of supporting these changes. Some of the projects carried out in this area last year are highlighted below.

- A new platform was deployed to streamline data processing and enhance efficiency. This platform integrates different systems to automatically collect operational KPIs and is equipped with data analysis capabilities and a large language model (LLM)-powered analysis assistant. Platform users benefit from the

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analysis of collected data, which in turn supports proactive decision-making and allows the users to take pre-emptive action in response to potential issues and make data-driven decisions more quickly.

- The 2024 Automation & Integration Year Program focused on achieving labor savings across the business. Under this initiative, leaders presented both completed and potentially expandable projects for consideration during monthly review meetings. This program resulted in a 5% gain in production efficiency as of October 2024 compared with the beginning of the year.
- A project was carried out to leverage real-time data from sensors on production equipment to proactively address potential failures and reduce downtime. The project's objectives include increasing mean time between failure (MTBF) performance and achieving a 75% reduction in operational machinery downtime.
- In an effort to achieve greater flexibility in warehouse operations, to provide automated support for the management of semi-finished and raw materials, and to simplify and standardize the handling of complex

inventory within their warehouses, Ankara BMI, Defy Ezakheni, and Defy Jacobs have deployed the SAP Warehouse Management (SAP-WM) module in the conduct of their operations.

- Since 2019, initiatives in **Robotic Process Automation (RPA)** have been focusing on process digitalization and efficiency. To date, these initiatives have resulted in the automation of 171 key processes and led to operational efficiencies commensurate with the workload of 128 personnel.
- The **Production Digitalization** project, initiated in 2024 with a target of a 5% improvement in time efficiency, is now deployed across all production facilities in Turkey. As of the end of 2024, 18 processes had been successfully transitioned to RPA, while 96 additional processes were optimized through various process automation technologies. As a result of these projects, efficiency gains equivalent to 47 full-time employee hours were realized: 27 hours from RPA and 20 hours from process automation initiatives. The DigiCrew program fosters the growth of a Citizen Developer community by supporting employees who develop RPA initiatives of their own.
- Another project that has been carried out models transformation costs and operational KPIs by comprehensively taking into account factors such as fluctuations in energy prices, rising labor costs, exchange rate volatilities, inflation, and the product mix ratio. Real-time transformation cost analysis, enabled by an AI-driven forecasting system, provides opportunities for data-driven decisions. Transformation cost forecasts were made with a 3% margin of error in the first month, subsequently improving to an average 5% margin of error over a six-month period. As a result of this project, annual savings in total transformation costs are projected to be in the range of 0.3% to 0.5%. This project will enable real-time transformation

The deployment of the smart control system, an AI model utilizing a decision tree algorithm, has led to a 66% decrease in quality issues.

cost management, leading to the identification and evaluation of efficiency opportunities. The replacement of manual calculation methods with AI-supported algorithms will result in more rapid and precise forecasts.

Process and Materials Technologies

Real-time data from production processes combined with data analytics made it possible for our company to launch a number of projects in 2024 that significantly improved quality, efficiency, and sustainability. These are highlighted below.

- As part of a project to develop a quality prediction model and control mechanism for the clinching process, force and distance sensors have been integrated into hydraulic actuator machines. These sensors facilitate the real-time monitoring and optimization of process parameters. Under this project, an AI model utilizing a decision tree algorithm has been developed to analyze force-distance diagrams. This analysis enables the identification of the root causes of quality defects and facilitates the determination of appropriate improvement measures. The deployment of this smart control system has led to a 66% decrease in quality issues on the Oven Line at the Ankara Dishwasher Plant, while also significantly boosting both process efficiency and customer satisfaction. This project makes use of a range of advanced technologies, including sensor technology, data collection methodologies, PID control algorithms, and controls for proportional hydraulic systems. This innovative initiative can serve as a best-practice example for other sectors with similar processing requirements.
- In another project to reduce energy consumption in bitumen furnaces, efficiency is increased by ensuring that asphalt-based damping sheets (used in dishwasher manufacturing) properly adhere to metal surfaces at the optimal temperature. A thermal camera at the furnace exit monitors sheet temperatures in real time, and proprietary software automatically adjusts furnace temperatures when they deviate from the predetermined optimal range. This project achieved a 15% energy saving across the three bitumen furnace lines at the Ankara Dishwasher Plant. This innovative application makes a valuable energy-efficiency contribution to the industry as a whole.
- By integrating a smart control system into the plastic injection process, we achieved gains in both production efficiency and manufacturing quality. This project has yielded several innovative applications. Among these are autonomous valve-gate control, a decision support algorithm informed by machine learning, and chatbot algorithms based on LLMs. All of these advancements are powered by data collected from pressure and temperature sensors strategically placed within the mold. As a result, efficiency in the production process was increased, dependence on manual labor was reduced, and scrap rates at the outset of and during production were lowered. The project achieved a 20% reduction in cycle time and a 50% decrease in scrap at the start of production.
- A visual recognition system combined with an industrial camera system and AI-driven fault detection was deployed in dishwasher production to identify defects at an early stage. By harnessing the power of image processing and deep learning technologies, AI has achieved a better than 90% rate of accuracy in detecting assembly errors. This has resulted in fewer production bottlenecks and improved overall product quality. As a result of this approach, there has been a significant decrease in error rates, a substantial reduction in field failures, and a marked decline in labor costs.

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Simulation and Modelling

- A line balancing optimization project was initiated with the goal of ensuring a balanced distribution of workloads across the production line. This involved the development of an optimization algorithm capable of incorporating real-world constraints. Workstations were then reconfigured based on this algorithm to achieve optimal utilization levels. The project has delivered an average 8% increase in utilization rates and a 5% improvement in assembly line operating efficiency across the company's refrigerator and compressor, dishwasher, cooker, washing machine, laundry dryer, and electronics manufacturing operations in Turkey.
- A decision support system called OPM has been created to ensure that operators are assigned to workstations that best match their individual profiles. These profiles are determined based on such issues as ergonomics, health, competency, and training. Developed internally by Arçelik, OPM has been successfully integrated with SAP and other key company systems. Upon logging into a workstation with their ID card, the system evaluates the operator's suitability to work at that station, taking into account their individual health, ergonomic, training, and competency criteria. If any of these criteria are not satisfied, the production line is halted and the first-tier supervisor is alerted so that the appropriate corrective action can be taken. Using input from this system as feedback, training plans are developed, station rotations are scheduled, and competency development plans are created. This system effectively prevents quality errors and tempo losses stemming from insufficient training. By ensuring employees are assigned to stations compatible with their individual health restrictions, it also helps prevent undue strain on their musculoskeletal systems. This project resulted in a 5% increase in production efficiency, an 86–92% reduction in quality defects at

high-ergonomic-risk workstations, and a 1–4% decrease in operating times at refrigerator and compressor, dishwasher, cooker, washing machine, dryer, and electronics plants in Turkey.

Design and Integration Processes

Arçelik enhances production and investment efficiencies across its facilities by utilizing in-house resources to develop and implement highly automated production lines and to achieve superior-quality mold fabrication. This approach means that end-to-end, turnkey solutions covering everything from process design and engineering through manufacturing and commissioning are available when designing production lines. This gives our company cost-effective control over the production both of its manufacturing lines and of the components required for its products. With the benefit of these newly acquired competencies, Arçelik commissioned both a refrigerator door line and an oven chassis line in 2024 and made improvements in existing production lines.

Workspace Design

During 2024, the workspace design team focused on creating robust, user-centric spaces that prioritize employees' safety, productivity, and motivation. Last year's workspace design projects addressed key concerns, with a strong emphasis on earthquake safety, sustainability, innovation, and functionality. The company's pursuit of global growth has been aided by investments in manufacturing facilities both in Turkey and elsewhere and by improvements in office workspaces and social amenities. These projects represent a significant step in the direction of providing all our employees with safer and more effective places in which to do their jobs.

Significant enhancements are being implemented across all key processes, including the call center, service network, and spare parts operations.

Customer and Consumer Experience

Global Customer Services

Global Customer Services operates with the vision of **“Delivering exceptional experiences at every stage of the customer journey by ensuring service excellence through digital transformation and positioning Global Customer Services as a profit center for sustainable success.”** Adopting a customer-centric approach to maximize satisfaction, significant enhancements are being implemented across all key processes, including the call center, service network, and spare parts operations.

The feedback and demands from customers across all the brands we serve are addressed promptly, transparently, and reliably, guided by the following principles:

A customer-centric approach to communication and process management has been established as a material topic.

All customer inquiries are handled through systems designed to be trackable, reportable, and continuously improved.

Service quality has been consistently enhanced through initiatives centered on digitalization, sustainability, and operational efficiency.

The Global Customer Service Directorate provides services through a worldwide network of approximately 7,300 service points. In 2024, 3.5 million services were delivered globally.

With the aim of providing exceptional customer experience, we strive to exceed customer expectations at every point of contact; to this goal, we pursue our operations



with innovative solutions and a commitment to service excellence at global standards.

Call Center Digital Transformation

In 2024, the Amazon Connect platform was introduced to enhance our call center infrastructure's effectiveness, efficiency, and customer-centric nature. Significant gains have been achieved with this cloud-based, flexible, and scalable system:

A 10% rise in the productivity of call center agents has been recorded.

Customer interactions have been optimized through real-time performance analysis and virtual agents supported by artificial intelligence (AI).

The “pay as you use” structure has contributed to cost efficiency by allowing for greater flexibility in cost management.

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The AI-supported solutions provided by Amazon Connect have led to a swift and thorough transformation in our call center processes. Plans are currently in progress for the transition of our global operations to this infrastructure, intending to deploy it in all countries.

This transformation marks a significant milestone in enhancing customer satisfaction, strengthening our communication processes, and elevating service quality in line with global standards.

Digital Transformation and Strategic Improvements in Global Spare Parts Stock Management

In 2024, a comprehensive digital transformation process was initiated, focusing on achieving long-term results in the management of spare parts inventory on a global scale. The implementation of S099+ planning software was central to the ScopeX Project, emphasizing inventory optimization and process improvement studies.

S099+, utilizing AI algorithms and advanced technologies, enhances the efficiency, predictability, and consistency of the inventory management processes. The studies conducted for the integration and optimization of this software during 2024 have established a solid foundation for future tangible outputs.

The activities carried out throughout 2024 are summarized below:

- Fine-tuning efforts were undertaken to enhance demand forecasting accuracy.
- Manual interventions were minimized, and process efficiency was improved.
- A standardized and integrated planning approach was adopted.
- Initiatives were accelerated to improve service levels, reduce inactive inventory, and minimize product replacements caused by spare part shortages.

Through the optimization of S099+ parameters and the effective use of the system by planners, the following objectives are targeted:

- Improvement in service continuity.
- Lower inventory costs.
- Reduction in inventory turnover days.
- Minimization of inactive inventory and spare part-related product replacements.

In 2025 and beyond, the active utilization of S099+ software across all countries and the full implementation of central planning systems are targeted. In this way,

Launched in 2024, the Global Pricing Pro Project is a strategic initiative aimed at enhancing the efficiency, effectiveness, and consistency of spare parts pricing processes on a global scale.

it is planned to establish a more sustainable and agile operational structure on a global scale.

Business Models Supporting Profitable Growth in Customer Services

In order to enhance profitability and support sustainable growth in customer services, our activities are structured around five core focus areas: spare parts, complementary products, product sales, extended warranty services, and service operations. Within this framework, best practices derived from successful business models implemented by our subsidiaries have been shared with our other potential subsidiaries, ensuring the widespread adoption of these methods.

The implementation of new business models has resulted in a significant increase in service revenues. Additionally, innovative product offers and campaigns tailored to owners of older products have enhanced customer satisfaction while contributing to revenue growth. These initiatives have deepened customer relationships and established a solid foundation for sustained customer satisfaction.

The strategic business models implemented have transformed our customer service operations from a traditional support function into a value-creating business unit that directly contributes to growth. This transformation has not only reinforced our customer satisfaction-centric approach but also strengthened our operational efficiency and market position.

These strategies have made a significant contribution to both the company's financial performance and the success of our customer relationship management efforts,

positioning customer services as a key driver of growth within our organization.

Global Spare Parts Pricing Project

Launched in May 2024, the Global Pricing Pro Project is a strategic initiative aimed at enhancing the efficiency, effectiveness, and consistency of spare parts pricing processes on a global scale. The project has enabled the digitalization of pricing processes, the development of strategic pricing models based on customer segmentation, and the integration of SAP to ensure data remains continuously updated.

Through dynamic pricing algorithms, changes in spare parts costs and competitive pricing are managed swiftly, establishing a customer-focused, competitive, and standardized pricing structure. Fast simulations, price update recommendations, historical data analysis, and web scraping technology have boosted operational efficiency while minimizing manual interventions. The advanced reporting and business intelligence tools provided by the project have facilitated precise pricing at the segment level, improved gross profit margins, and supported the transition to Zero-Based Budgeting (ZBB).

In this context, the acceleration of pricing processes and the minimization of labor requirements have led to a more efficient operational structure, significantly contributing to customer satisfaction and revenue growth. Furthermore, the project serves as a foundation for future strategic pricing models, playing a critical role in enhancing the company's sustainable growth and competitive edge.

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Data Analytics in Customer Service Processes

In all the countries where we operate, detailed data on all repair activities for our products is collected in our database through our technicians in our service network and field management software. This data is utilized to support quality improvement efforts, serving purposes such as reducing service failure rates, monitoring and enhancing service performance, enhancing customer satisfaction, and developing user-friendly products.

Critical performance indicators, such as repair time, first-time fix rate, and customer satisfaction, are regularly monitored through our dashboards. Operational metrics and performance analyses can be accessed in real-time, contributing to decision-making processes.

In addition, advanced data analytics powered by machine learning and AI are employed to enable the early detection of faults occurring in the field.

Artificial Intelligence Initiatives

In order to improve customer service processes, innovations based on data analytics and AI are being implemented. Technician GPT is a digital assistant developed for service technicians, aiming to optimize processes with functionalities such as fault detection, solution recommendations, and reducing repeat repair rates. An OKTA-based authentication infrastructure is used to ensure secure access.

The Amazon Connect platform supports transformation in customer service with AI-powered solutions. Through advanced speech analytics, call transcripts are analyzed to provide fast, accurate, and effective solutions.

The “AI-Powered Call Center” project has been launched with Amazon Connect infrastructure, targeting a reduction in operational costs by minimizing human intervention.

These efforts enhance customer satisfaction while making processes faster, more effective, and more efficient.

Customer Services Turkey

Arçelik manages its processes in order to serve its customers with the vision of “unparalleled customer experience and reliable service”. Quality after-sales service is guaranteed by maximizing customer satisfaction in order to strengthen customer loyalty.

The Customer Services Directorate embraces a customer-centric approach based on the fundamental principle of delivering the perfect customer experience and enabling convenient communication of want and needs of the customers of all brands serviced without discriminating on the basis of customer profiles; customers are informed within 24 hours that their requests have been delivered to the company and conveyed to related units. In this system, the entire process is compiled in a traceable, reportable, transparent, and safe single information pool; these records are handled and evaluated impartially, fairly, in confidence, and in accordance with regulatory requirements; and processes are constantly being controlled and improved.

The Customer Services Directorate always supports customers with its far-reaching service network, well-trained staff and advanced technological infrastructure, with the vision of “unparalleled customer experience, reliable service” whenever needed.

Arçelik manages its processes in order to serve its customers with the vision of “unparalleled customer experience and reliable service”.

The Arçelik Customer Services Directorate offers service via 14,412 authorized service employees, 6,287 service technicians, and a fleet of 5,149 service vehicles in a total of 661 service points in 81 provinces of Turkey. During 2024, approximately 20 million services took place.

Service is provided by trained technicians for all products requiring expertise.

Electric Vehicle Usage at Authorized Services

In a bid to contribute to the vision “Respecting the World, Respected Worldwide”, the Customer Services Directorate treats it as a priority target to reduce environmental impact by driving electric vehicles at authorized services.

The first electric vehicle delivery took place in 2022 as part of the collaboration established with Ford Otosan. Sales campaigns for electric vehicles will be conducted in collaboration with Ford Otosan, while ongoing efforts to promote the use of authorized services will be maintained.

Public charging stations for electric vehicles have been installed at Arçelik authorized services.

Electric Vehicle Charging Station Business Model

In terms of the developing and rapidly growing electric vehicle product, the Arçelik Integration project for the sale and after-services of charging stations in collaboration with Arçelik Pazarlama A.Ş. and Wat Mobilite was effectively implemented in the industry. Arçelik authorized services have started providing charging stations for electric vehicles sold through Arçelik and Beko authorized dealers. Arçelik by Wat brand charging stations cater to the safe charging needs of electric vehicle owners.



Models That Will Generate Additional Income for Authorized Services and Arçelik - Maintenance, Cleaning, Control Services

Maintenance services continue to be provided to customers across a wide range of product categories (dryers, refrigerators, washing machines, ovens, dishwashers, air conditioners, combi boilers, water dispensers, hoods, and aspirators) by including new product groups with maintenance, cleaning, control services, and maintenance offer processes.

The maintenance service department allows customers to use their products longer, enables authorized service centers to generate additional revenues, increases engagement of authorized service center employees by paying additional share from the revenue, and generates revenues for the company on non-warranty services.

Furthermore, the maintenance service department provides other benefits such as increased performance of products, contribution to energy saving, advance warning of potential failures to prevent higher-cost failures, and in-depth cleaning.

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Customer-Friendly Company and Customer-Friendly Brand Activities

As in previous years, operations in Turkey were audited by the Turkish Standards Institution (TSE) in 2024 and awarded with “Customer-Friendly Company” and “Customer-Friendly Brand” certifications.

In the first phase of the project, authorized service centers were audited by the TSE. As a result of the audits conducted, 40 Arçelik Authorized Service Centers qualified to receive the “Customer-Friendly Company” certification. During the second phase of the project, TSE conducted inspections of the relevant departments within our company, and as a result, our company was entitled to receive the “Customer Friendly Brand” certificates for the Arçelik and Beko brands.

Initiatives in this field will continue to be audited by independent companies with a sustainable approach.

Combi Business Model

The Turnkey Business Model, known as the Combi Business Model, provides seamless service to customers with a single visit and from a single source through specialized authorized service providers (for tasks that require prior installation). To support authorized services under this Business Model, a system has been designed to provide workmanship progress payments for each projectized operation. At the same, technicians are encouraged with incentives in the event that the inspection service evolves into a repair.

A total of 59 service centers have been included in the coverage to further specialize 90 authorized service providers across 27 provinces. In Istanbul, training sessions were arranged for authorized dealers and authorized service providers. Efforts will continue in other provinces as well.

Training videos related to inspection services have been published for all technicians via the “Service Academy” platform. In Istanbul, authorized dealers and authorized service providers specializing in combi systems have been brought together to enhance customer satisfaction.

The objective is to ensure high customer satisfaction by delivering services through specialized service providers and technicians, with a focus on providing “Customer Service In One Go”.

46% specialization has been achieved with seven expert authorized services in the Istanbul Anatolian region, and 33% with eight expert authorized services in the Istanbul European region. A total of 51 expert technicians provide service throughout Istanbul.

Gas Station Outdoor Payment Services

The communiqué governing the 1000TR product orders the replacement of cash registers with new generation gas station outdoor payment terminals that can instantly transfer data electronically and feature increased security. In 2022, the process was successfully transferred to the field in conjunction with Token Finansal Teknolojiler A.Ş., and the installation of 1000TR new generation OPTs began. By 2024, a total of 24,039 products have been installed across 6,297 stations.

In 2024, operations in Turkey were awarded with “Customer-Friendly Company” and “Customer-Friendly Brand” certifications by the Turkish Standards Institution (TSE).

The transfer process and sales of additional warranties for the 1000TR product have started to bring in extra revenue for authorized services.

In 2024, efforts have been made to increase the number of expert technicians, ensuring a minimum of two technicians in every authorized service center, and expanding the network of authorized services to prevent service interruptions in busy locations. Authorized service technicians have completed their training and continue to carry out services by obtaining Atex and Sec-g certificates.

A total of 344 expert service providers have been reached by including 41 new expert services to the existing 303 expert services. Additionally, 123 technicians have been added to our team of 417 expert technicians, bringing the total number of expert technicians to 540.

Training videos containing information on important considerations during field service for pump cash register expert technicians have been published on the Service Academy platform.

Customer Loyalty Program

The Customer Loyalty Program provides benefits (discounts) to existing customers to encourage them to stay engaged with brands.

Customers can enjoy a benefit (discount) when opting to renew their products instead of having them repaired, especially when they choose to buy Arçelik brands again. Benefits (discounts) apply to new products of the same brand and main product group as the defective, unrepaired product.



This campaign applies to Arçelik or Beko-branded products that are at least five years old as of the warranty start date, that do not have a warranty or additional warranty, and that are not chosen to be repaired and fall under the main product groups of refrigerators, water dispensers, small household appliances, vacuum cleaners, washing machines, dishwashers, tumble dryers, and ovens.

Throughout 2024, a total of 1,000 codes, defined by CRM, were created each month to be presented to customers.

In addition to the campaign code provided by the technician, customers were informed via calls and SMS communication methods by CRM for three product groups (refrigerators, washing machines, and dishwashers) between the ages of 9-11, with the goal of improving customer satisfaction.

The sustainability of the project is ensured, and its continuation is anticipated in 2025.

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“My Authorized Service is Safe” Project

The “My Authorized Service is Safe” program has been designed for our authorized service providers and serves as a workplace insurance program that will cover all of our services.

With the rise in natural disasters and resulting damage in recent years, studies on securing insurance coverage for the sites of authorized services have been completed, and a useful and comprehensive insurance model has been created for authorized services. All our authorized services have been incorporated into the process, and those that advance with a sustainable approach will remain part of the program.

Authorized Service Software Installation Project

Arçelik authorized services are qualified to install/update software on electronic cards. By utilizing the new service method, customers can now have updated software installed on electronic cards in the comfort of their own home, avoiding the need for replacing cards without any faulty hardware.

Software Installation on Televisions via Smartphone

A smartphone application called FixAr has been developed as part of the project initiated in the pilot phase. This application facilitates the installation of software on televisions that are encountering display issues due to the operating system, enabling the restoration of the

products to operational status through a smartphone. This process minimizes the need for motherboard and product replacements, enables easy repairs at the customer’s site without the need for transportation to a workshop, saves time and fuel, and enhances customer satisfaction.

Solar Energy Systems

Arçelik participated in the World Energy Congress and Fair, where the major players of the energy industry came together between the dates 9-11 October, showcasing energy solutions such as solar panels, inverters, all-in-one solutions, vehicle charging devices, and heat pumps.

As Customer Services, we have undergone a significant transformation process in the service organization due to the increased need for green energy products such as solar panels and inverters, and system installation.

In addition to the Solar Call Center, a solar fault call screen infrastructure will be implemented. Through this infrastructure, customers will be able to directly report faults via this page.

A service button has been added to the Arçelik Solar Application. Designed for installation companies or technical end-users interested in solar products, this button allows access to all documents related to solar inverters through the application used during installation. Additionally, users can open a call and receive instant solutions via the “Contact Us” section.

A total of 26 Energy Solutions Services have been launched across Turkey.

A total of 26 Energy Solutions Services have been launched across Turkey. Through these services, we provide turnkey solutions for solar system installations and fault services for solar panels, inverters, and all-in-one solutions.

Efforts have been made to ensure that our Energy Solutions Services can also provide services on charging station infrastructure installation. This service is scheduled to commence operations in 2024.

Through the solar package business model, our call center has handled over 1,600 inspection calls. These inspection requests were filtered by the call center based on customer needs and forwarded to our Energy Solutions Services.

During the year, both physical and online training sessions were provided to the Energy Solutions Services Team, focusing on inverters, solar panels, all-in-one solutions, and solar system infrastructures. In addition to these sessions, a hands-on training program, which also included charging stations, was organized in Isparta. A speaker from the regional distribution company was invited to participate in this training.

Arçelik Quick&Shine

Marketing initiatives aimed at enhancing Quick & Shine brand awareness and promoting its products were conducted:

- The brand motto has been established as “The Protective Shield for Your Home Technologies,” emphasizing professional care and protection in campaign communications to reinforce customer trust.

- Two separate advertising campaigns were aired introducing our Quick & Shine branded products in Çağla Şikel's program “Çağla ile Bir Gün”.
- In ATL (Above The Line) marketing communications, a special discount campaign for selected products was broadcast as a lower-third banner on national channels for one month, enhancing brand awareness.
- For digital communication, campaign promotions for Quick & Shine were posted on social media platforms, including Instagram and YouTube.
- In BTL (Below The Line) marketing communications, the online catalog was updated in line with current products.
- Efforts were made to provide a more user-friendly and informative experience for customers on our websites by using rich content such as text, images, and videos focused on Quick & Shine products.
- Exclusive discounts for Koç Ailem members on Quick & Shine products were introduced and communicated.
- A live broadcast titled The Past, Present, and Future of Quick & Shine was hosted on Perakende TV.
- During Perakende TV live broadcasts, covers displaying “Presented by Quick & Shine” were shown.
- Professionally produced training videos were filmed for publication on Service Academy, and training sessions were organized for authorized service technicians.

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Project for Sales of Spare Parts Accessories

With the launch of a new sales channel for spare parts and accessories on the Arçelik website, customer expectations have been met online. By displaying compatible products for accessories on the internet channel and categorizing them by product type, customers have been facilitated to access accessories more easily, enhancing satisfaction in the customer experience.

Enhancements were made to enable Koç Ailem discounts for accessory sales on the website, and discounted accessory sales have begun for our customers.

Spare Parts Traceability Activities

A project displaying spare part arrival dates for authorized service providers has been implemented, enabling end-to-end traceability of orders. This project has made spare part delivery processes more transparent and trackable, allowing all stakeholders to easily monitor order statuses.

Through an automated ordering process, materials added to fault records awaiting spare parts are promptly ordered. This ensures that the needed parts are quickly transferred to Arçelik warehouses, aiming to complete services in the shortest time. Automated orders are created hourly with inventory control, delivering fast and efficient service, thereby increasing customer satisfaction.

To eliminate the need for customers to contact the call center to inquire about their spare part order status, order tracking has been integrated into a self-service infrastructure for easier access.

Fixmate – Technician Material Recommendation System

Providing data-driven guidance on the repair process can help service technicians address the problem in far fewer visits.

In case of a related malfunction, the objective is for the authorized service technician to complete the process in a single visit, using the materials he brings along, based on the recommendation made by means of smart prognosis during the initial visit, aiming to make a difference in customer satisfaction.

In addition to creating a positive impact on the brand image in customer perception through the prevention of repeated customer visits and the provision of a one-time service, it will also contribute to authorized services becoming more efficient, reducing their expenditures, and having a financially stronger organizational structure.

Customer interactions with our call center are analyzed using AI technology.

Automation of Spare Part Transfers Between Authorized Service Providers

An automation process has been implemented to meet customer spare part needs that cannot be supplied from the warehouse, by facilitating the purchase from the nearest service provider with available inventory. Payments are automatically processed through Ödoro. This automation not only simplifies payment and spare part procurement but also adds significant value by ensuring faster part availability, thereby enhancing customer satisfaction.

Digitalization of Authorized Service Provider Information Project

A platform has been created to store information, documents, and reports related to authorized service providers in a digital environment, allowing effective and fast tracking through a single application.

With this platform, authorized service providers' important information, which was previously stored in scattered environments, can be accessed digitally from a single platform. Storing records that were manually kept in digital format will reduce losses, and digital forms will save time. The platform will also provide flexible and more compatible design/development opportunities through internal software and will be accessible via mobile devices.

The service profiles are available on the Apollo/Service Management screen. The service profile includes authorized service information, authorized service photos, authorized service vehicles, authorized service performance indicators, authorized service documents, authorized service forms, and authorized service location fields.

Air-Conditioning and Energy Solutions Field/Project Tracking Software

A structure has been established where each project is assigned a unique code, allowing the entire system and controls to be tracked through this code. This enables the tracking of the project stages for products installed for commercial customers, as well as the monitoring of faults, extended warranty, and maintenance processes.

Customer Services Artificial Intelligence Applications

Call Center Analytics With Artificial Intelligence and Customer Insights for Technicians

Customer interactions with our call center are analyzed using AI technology. This allows technicians to be informed before visiting the customer's home, as the summary of the customer's call center conversation, along with any potential sales opportunities based on the customer's statements, is displayed on the technician's mobile field application (Artemis). Additionally, the quality of customer interactions with the call center is assessed, to identify the potential of the call to turn into a complaint, and if so, to take rapid action to address it.

SonAR Project

The SonAR project uses AI models to quickly detect unusual situations and assess risky transaction scores for each service. The project is a significant move towards increasing operational excellence while minimizing risks in customer service.

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Through the enhancement of the self-service platform experience, the usage rate has increased up to 30%.

A special automated system has been created utilizing AI models to efficiently oversee a wide range of services provided to customers. The system's goal is to improve operational processes by thoroughly analyzing service receipts. The model has been consistently strengthened by incorporating specific attributes for each service ticket, enabling it to better adapt to business dynamics and learn the unique features of each service.

A significant contribution was made to Arçelik's goals of improving service quality, optimizing operational processes, and enhancing customer satisfaction.

Customer Communication Center

The projects carried out by the Customer Communication Center in 2024 are as follows:

- With the exchange voucher project, new product delivery has been accelerated during the product exchange process.
- BoT feature has been integrated into our WhatsApp system and efficiency has been ensured on the WhatsApp channel.
- With the inventory counting project, customers who entered the product exchange process are ensured not to be affected by inventory counts, improving the customer experience.
- The open demand project has enhanced the after-sales service experience for our customers, adding a new dimension to our service offering.
- Through the enhancement of the self-service platform experience, the usage rate has increased up to 30%.
- New process designs for e-commerce after-sales services have improved the customer experience.
- Employing the flexible survey module, the capability to quickly collect independent customer feedback has been established.
- Uninterrupted continuity of processes and systems has been ensured with the Communication Center Infrastructure Redundancy project.

Customer Communication Center (Turkey) performance data¹

Service level (Turkey) B2C ¹	77.71%
Response rate (Turkey) B2C	94.47%
Number of inbound calls (Turkey) B2C	10,150,990
Number of responded calls (Turkey) B2C	9,590,095
FLS ² (First Line Support)	84.51%
Number of BPO ³ companies	4
NPS ⁴ Call Center	62.4/100
Number of social network operations (X, Facebook, YouTube, Instagram)	116,880
Number of WhatsApp operations	106,438
Number of mail operations	60,510
Number of chat operations	26,432
CRM ⁵ sales volume	105,532,524
Reimbursement volume	27,857,069
Call Center sales volume	150,532,386

¹ B2C: Business to Customer

² FLS: First Line Support

³ BPO: Business Process Outsourcing

⁴ NPS: Net Promoter Score

⁵ CRM: Customer Relationship Management

Global Customer Experience

A Customer Onboarding platform has been launched to increase brand and product awareness, allowing customers to access all the information they need globally through a QR code on the product. By scanning the QR code during and after the purchase process, customers can access information about the product, frequently asked questions, warranty details, user manuals, and local call center numbers, and easily register their products. So far, 12 million QR codes have been printed on products at eight production facilities (Çayirova, Eskişehir, Ankara, Russia, Manisa, Çerkezköy, Bolu, Ulmi Romania, Poprad). Customers have scanned a total of 400,000 QR codes in 80 countries.

Another project launched to enhance customer experience, ensure loyalty, and drive business growth globally is the Global Registration Platform. This platform allows customers to register their products, get products under warranty as defined within their respective countries, and participate in various campaigns, such as gift promotions and cashback offers. Additionally, the platform facilitates the sharing of regular updates, campaign details, and engaging content with customers by obtaining their communication consent. The Global Registration Platform is currently operational in 16 countries, with 40,000 registered customers.

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In 2024, CRM initiatives were also initiated in different countries. The analysis of approximately 340,000 post-sale consumer data in Egypt enabled the targeting of 16,500 consumers near dealerships with special promotions. In Spain, insights and feedback were gathered from around 3,500 registered consumers, and product improvements were made, boosting customer satisfaction. Furthermore, cashback campaign emails were shared with 4,000 customers, achieving an open rate of approximately 50%. In South Africa, Defy sent two SMS campaigns featuring Hirsh promotional content to about 2,500 customers. With the growing volume of customer data, plans for the upcoming year include enhancing loyalty-driven campaigns and increasing the share of entertaining content.

Customer Satisfaction Surveys

Koç Holding Dealer Satisfaction and Customer Satisfaction studies covering Turkey were carried out in 2024, as done annually. Arçelik and Beko dealers who volunteered to participate in the study were interviewed for the dealer satisfaction survey. Within the scope of the customer satisfaction study, end-consumers who purchased white goods, televisions, and air conditioners in the last two years were visited and surveyed to assess their satisfaction with the brand and product. In addition to this survey, customer satisfaction studies were conducted in nine countries in 2024.

Koç Holding Customer Satisfaction Survey

Koç Holding Customer Satisfaction surveys cover the users of Arçelik, Beko, and competition brands of white goods, television, and air conditioners. An index value is generated based on interviews with a representative population in Turkey, ranging from 66 to +134.

A total of 2,468 people were interviewed for the white goods category, including 672 people for the television category and 889 people for the air conditioner category. As a result of the assessment made on these surveys, the satisfaction indexes of Arçelik and Beko customers were measured at 91.5 and 89.2, respectively.

Koç Holding Dealer Satisfaction Survey

982 Arçelik and 849 Beko dealers who participated in the survey on a voluntary basis were interviewed. Arçelik dealers scored a satisfaction index of 88, while Beko dealers scored 86. The average satisfaction index of Arçelik and Beko dealers was calculated at 87.

Global Customer Satisfaction Survey

An online survey was conducted among end-consumers who purchased white goods from the company's brands¹ in the past two years in nine selected countries. The research covered the United Kingdom, Spain, Italy, France, Germany, Poland, Russia, Romania, and South Africa. While Beko's customer loyalty index was calculated at 77.4, Defy achieved 91.3, and Arctic achieved 90.7.

¹ Scores have been calculated specifically for the Beko, Arctic, and Defy brands.

Voice of the Field Project

The Voice of the Field project enables us to gather experience-focused feedback and suggestions from our dealers, service employees, and promoters, who are in direct contact with our customers. Within the scope of this project, focus group studies and surveys are conducted for topics requiring more detailed insights.

While Beko's customer loyalty index was calculated at 77.4, Defy achieved 91.3, and Arctic achieved 90.7.

Consumer Journey Mapping Projects

A comprehensive consumer journey mapping project has been carried out to understand and optimize every interaction to improve the consumer experience and better meet consumer needs. This project has been implemented in two different countries, covering the TV and built-in oven product groups. As a result, 64 development items were identified for short-term implementation, while the medium- and long-term goals focus on enhancing customer satisfaction, loyalty, and brand advocacy.

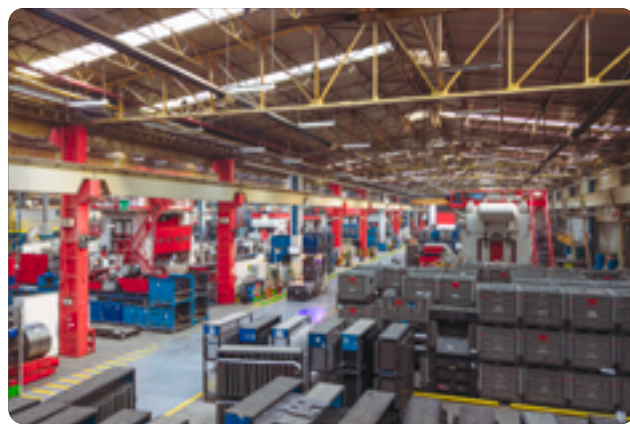
Sustainable Supply Chain Management

Having adopted a centralized approach to supply chain management, Arçelik is capable of anticipating and responding to potential challenges and opportunities with greater efficiency. Economies of scale achieved through centralized and high-volume global purchasing strategies play a significant role in maintaining profitability by contributing to the company's cost improvement, risk management, supplier management, and optimization.

Global Purchasing

Arçelik boasts a dynamic purchasing organization comprised of purchasing offices in 13 different countries staffed with over 300 employees structured in accordance with the company's growing global needs and expanding production network. With a global purchasing capacity that reaches nearly 2,500 (direct) material suppliers from over 60 countries, Arçelik's total procurement volume in 2024 reached EUR 7 billion, including indirect and investment procurements.

A category-based purchasing organization is set up at the company with the aim of implementing the most appropriate strategy and collaboration model on a sectoral



basis. Employees in charge of each category specialize in their respective categories on the one hand, while carrying out cost improvement projects and projects creating value for the customers on the other hand.

The company's overall procurement cost management system controls all aspects of procurement, including raw materials, processes, components, labor, and logistics. Design changes, alternative material and supply source development, and cost improvement projects are implemented within the company's management system in collaboration with individual procurement and production departments.

The company implements dynamic inventory management policies to regulate the turnover rate of stocks and make consignment purchases. Arçelik dedicates substantial time and resources to assessing different supply routes in low-cost countries by means of its global purchasing organization. Arçelik focuses on developing initiatives that promote local production in all regions of operation to minimize dependency, reduce supply risk, and enhance suppliers' production technology knowledge.

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Employing a material price analysis and tendering method during the pricing stage of procured materials, the company ensures a fair pricing structure for its suppliers, taking into account economic parameters such as staff, raw material trends, electricity, fuel, inflation, etc. in both methods.

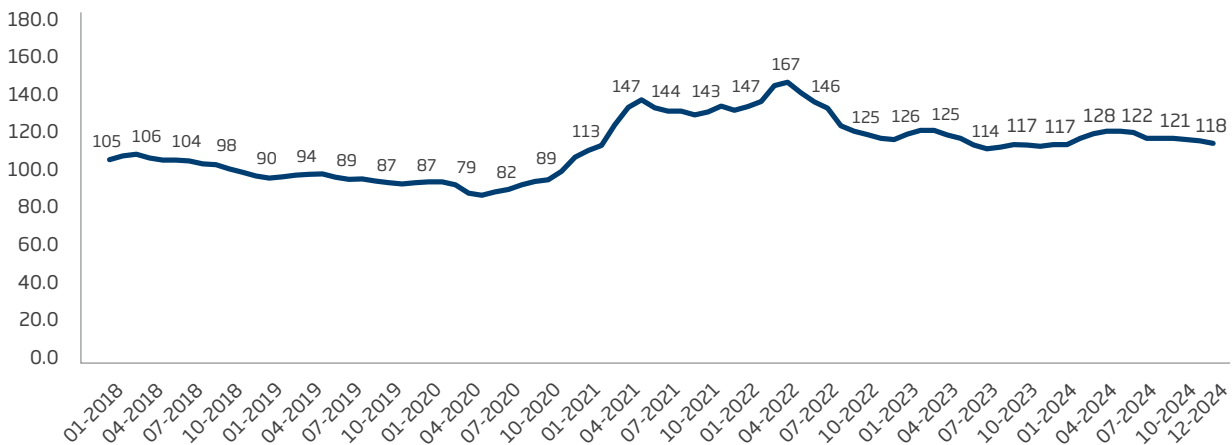
The key components of Arçelik's purchasing strategy are defined as sustainable responsible purchasing, supplier risk management, cost improvement, supplier innovation, supplier management and optimization, global purchasing, and long-term cooperation.

Raw Materials

Raw materials make up the largest portion of total purchasing volume at Arçelik. Besides their direct cost impacts, raw materials are critical also in terms of determination of the prices of component groups that require intensive use of raw materials.

Raw Material Market Index Chart

(2011 Market Index=100)



The raw material prices for 2024 have exhibited a downward trend following the increase at the beginning of the year. This trend can be attributed to several factors, including the lack of demand recovery in both Turkey and Europe, negative variability in capacity utilization rates despite China's increased steel production, China's ongoing aggressive seller position, rising production and financing costs, global economic uncertainties, disruptions in supply chains, and shifts in consumer behavior.

As of the second quarter of 2024, production input costs have entered a downward trend but remain above pre-pandemic levels. This situation in production input costs is considered the primary factor preventing a sharper price decline, despite low demand and reduced capacity occupancy rates among producers. Although market prices began to move upward in the fourth quarter of 2024 with the announcement of China's stimulus package, the lack of demand recovery has slowed this upward momentum.

The raw material prices for 2024 have exhibited a downward trend.

Responsible Purchasing

The responsible purchasing strategy operated by Arçelik focuses on humans, environment, costs, quality, and innovation in all purchasing operations. Steering all purchasing operations with the sustainability principle, the company designs innovative products that reduce environmental footprint, which allows preservation of profitability without losing competitive edge.

In a bid to procure products, materials, and services that reduce environmental footprint in all geographies where

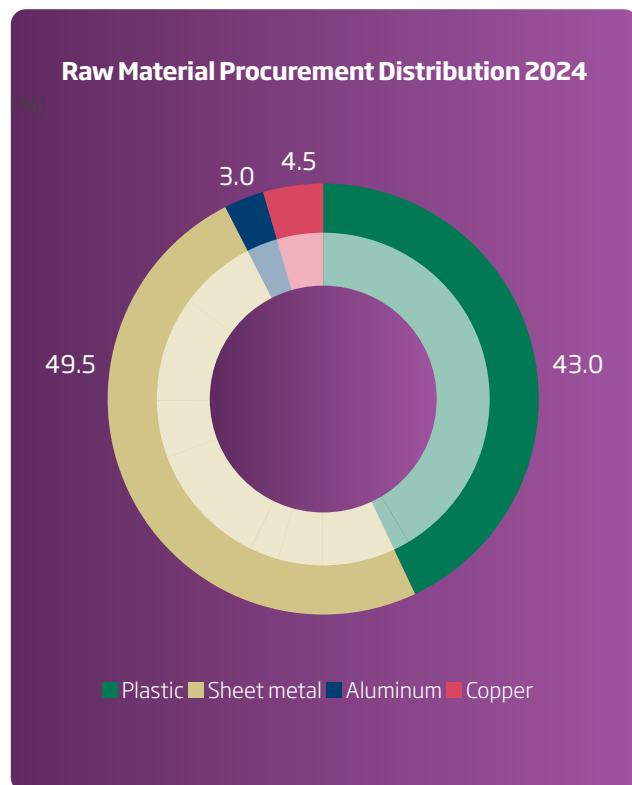
it pursues operations, the company works with other companies that fulfill established supplier requirements and materials specifications in purchasing processes. The Arçelik sustainable responsible purchasing approach is built on international commitments.

The company provides guidance for the sustainability performances of not just its own organization, but also of all stakeholders throughout the supply chain.

Revised in 2019 within the frame of the Global Code of Conduct, the company's Global Responsible Purchasing Policy¹ is intended to assure conformity of suppliers' ways of doing business with the company values and commitments. In this scope, the company has informed its suppliers regarding its expectations with respect to regulatory compliance, working conditions, human rights, occupational health and safety, environment, and so on.

Supplier ESG Program

Within the Arçelik Sustainable Supplier Index developed by Arçelik within the organization, Arçelik has launched the Supplier ESG Program for its critical suppliers [business relationship (high-turnover suppliers, suppliers with no alternatives, critical component suppliers, and business continuity suppliers), environmental, social, and governance (ESG) risks (country-specific, industry-specific, and commodity-specific)]. In this context, the focus areas are Environmental Management, Energy Management, Conflict Minerals Management, Human Rights, and Business Ethics. Suppliers are assessed in terms of social, economic, and environmental risk factors in the value chain and are subject to Code of Conduct audits in accordance with the Global Responsible Purchasing Policy. The supplier sustainability assessment result is also considered when determining the supplier score. Throughout the new



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supplier approval process, we proceed with a shorter ESG assessment survey. There are also supplier development programs within the framework of the Arçelik Supplier ESG Program.

The audits conducted via independent audit firms check whether suppliers conform to the company's expectations in areas such as regulatory compliance, working conditions, human rights, occupational health and safety, environment, etc. Corrective actions are planned and followed up for any non-compliance established.

Having embraced the full regulatory compliance principle in audits, Arçelik terminates its contract with any supplier if non-compliance is detected in matters that the company will never tolerate, such as child labor, forced labor, discrimination, bribery, or corruption. New suppliers engaged by Arçelik are required to carry out self-assessment audits with respect to quality, environment, and business ethics. Additionally, suppliers are expected to complete a survey containing verbal questions on ESG dimensions during their onboarding process.

¹ Arçelik Global Responsible Purchasing Policy: www.arcelikglobal.com/media/5553/responsible-purchasing-policy_en.pdf

² Arçelik Supplier ESG Program: www.arcelikglobal.com/media/7371/supplier-esg-program.pdf

Supplier Development Programs

Supplier Training

In 2021, work began on developing an Arçelik Digital Training Platform in order to make such training resources accessible to more suppliers. Becoming operational in 2022, the platform makes it easier for suppliers using it to educate themselves about Arçelik's approaches to dealing

with 12 sustainability issues. The dynamic platform, which allows for the addition of new training modules, was updated at the end of 2024 to include the Carbon Border Adjustment Mechanism Training.

Supplier Technical Capacity Development Program

The company's Auxiliary Industry Development and Digital Transformation Department focuses on improving suppliers' efficiency to help them make their production operations more sustainable while also remaining competitive themselves. Suppliers' needs are analyzed, after which resources are created to address those needs and are made easily accessible to them. During 2024, constant efforts were made to improve suppliers' infrastructural capacity and technical competencies and to promote adoption of the latest production technologies throughout Arçelik's entire supplier ecosystem. In the course of these efforts, 117 projects that provided cost savings were put into operation during the year.

The 900-plus auxiliary manufacturers with which Arçelik works were classified according to various criteria using the Kraljic matrix model. As a result of this classification, 158 firms (66 plastic, 7 cable, 36 metal, and 49 component input vendors) were identified as potentially exposing the company's supply chain operations to strategic and/or bottlenecking, and were accordingly subjected to detailed risk assessments.

The "Auxiliary Industry End-to-End Transformation" model has been created, and within this scope, work has been carried out with one of the largest auxiliary industry companies. Efforts are being made to enhance the overall structure's efficiency by developing a model aligned with the company's digital maturity index and value chain

Border Carbon Adjustment Mechanism Training was added to the Digital Training Platform, which was launched in 2021 to reach more suppliers for training purposes, in 2024.

mapping. In this project, all of the supplier's processes underwent an end-to-end examination in the course of which, points requiring productivity, quality, and capacity improvements as well as the actions needed to achieve them were identified.

In order to assess the lean and digital maturity of suppliers and create roadmaps specific to their improvement areas, the "Supplier Production Systems Evaluation" method was applied to 125 companies, and development plans were established in 2024.

The company works with its suppliers both to increase their total output and improve the sustainability, quality, and cost-effectiveness of their existing operations, and to equip them with new manufacturing technologies and competencies so that they can make things which they previously could not. Improvements in suppliers' infrastructural and technical resources and competencies result in more economical inputs for the company to use.

In 2024, as part of the Arçelik Small Household Appliances Directorate Supplier Development Activity Plan, a total of 37 supplier process audits, 1,157 corrective and preventive action studies, 221 design changes, 6 kaizen, and 48 cost improvement projects were successfully completed.

Arçelik enhanced its sustainable partnership structure through development programs for existing suppliers and expanded its product range with cost-effective and technologic products in various categories, including small household appliances, and consumer electronics, by collaborating with new suppliers and products. Arçelik has initiated new projects (fully automatic espresso coffee machine with TFT screen, capsule semi-automatic

espresso machine, filter coffee machine, multi-cyclone cordless vacuum cleaners, 2-in-1 low-fat cooker, etc.) in line with its suppliers' competencies designed to boost business volumes and ensure sustainable, high-quality, and cost-effective production. In this context, laboratory sharing efforts were completed by improving the infrastructure and technical competencies of the suppliers, and project durations were also improved.

Studies regarding suppliers' production in Turkey continued in 2024, testing alternative components and materials, and integrating various sub-suppliers into the supply chain.

Our Supplier Sustainability Goals

Arçelik encourages its material and product suppliers to report Scope 1 and 2 greenhouse gas emissions, energy, water, and waste data, and to set targets in these areas. In addition, the company has shared its Sustainability Journey Commitment, which outlines its goals and expectations from suppliers, with all its suppliers.

Furthermore, it is monitored to ensure that material and product suppliers accounting for 90% of the purchasing volume produce in compliance with the ISO 14001 (Environmental Management System) Certification, and newly onboarded suppliers are required to have this certification. The company also monitors suppliers' progress toward obtaining the ISO 50001 (Energy Management System) Certification.

As a significant step toward green transformation, Arçelik also aims for its suppliers to use green electricity.

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Purchasing Academy Program

Through the Purchasing Academy Program, Arçelik aims to raise employee awareness and develop their expertise and skills. The training is conducted online using a program developed in collaboration with CIPS (Chartered Institute of Procurement and Supply), an accredited organization specializing in purchasing.

In 2024, the global purchasing organization and relevant business units planned nine academy training programs covering six different topics, and 99 individuals attended the training programs. Four individuals successfully completed the program and graduated. Purchasing teams from Romania, Russia, China, Thailand, Pakistan, South Africa, Egypt, and Bangladesh were also involved in the training process.

The Purchasing Academy Program will be extended to incorporate new hires by providing training programs tailored to the organization's needs.

Global Supply Chain and Logistics Operations

Arçelik's global supply chain network is evolving and developing in accordance with its expanding distribution network, emerging technologies, and process requirements. Many projects are currently underway along the cost-agility-service level axis to disseminate best practices, optimize logistics operation efficiency, and implement digital transformation for a future-fit supply chain.

Ensuring continuous improvement while optimizing various aspects of the supply chain has consistently been the company's primary goal. End-to-end processes are constantly assessed, and improvements are regularly made. In this context, inventory levels were regulated

in 2024, and on-time in full delivery performance (OTIF) rates were increased. An analysis of customer needs was conducted, and depending on the results, differentiation in service levels and customizations in line with expectations were made.

Making tax payments and the reporting of customs' processes traceable improved import timeframes and prevented production downtime.

In 2024, the storage and transportation processes underwent review and optimization analyses in more than 15 different countries of operation with collaboration between the central and local supply chain teams.

Center of gravity studies conducted for warehouse locations have been planned to provide the best service to the customer network. By virtue of route optimization, order consolidation, and distribution network analyses, a contribution was made to sustainability through the enhancement of service quality and the mitigation of greenhouse gas emissions. Through in-warehouse layout analyses, warehouse spaces have been optimized to ensure that the bare minimum of space is utilized to accommodate the required quantity of inventory.

Other noteworthy projects executed in 2024 within the scope of global supply chain and logistics operations include the following:

Subsidiary Supply Chain Digital Transformation

In the Sales and Operations Planning (S&OP) processes across all subsidiaries globally, medium- and long-term demand planning, along with inventory optimization-based reconciliation-sales plan management will be provided. Distribution and inventory management, and

Ensuring continuous improvement while optimizing various aspects of the supply chain has consistently been the company's primary goal.

inbound and outbound shipment planning, are aimed at optimizing the product flow through Sales and Operations Execution (S&OE). Additionally, a control tower and control mechanism will be commissioned and end-to-end traceability will be collected at a single point.

Through this transformation project, the goal is to improve customer service by expanding the horizon of the production plan, increasing its reliability, and enhancing visibility. A consistent production plan will also strengthen demand and inventory management for customers. In the next step, integrating customers' sales and inventory data into this platform will offer a significant opportunity for end-to-end traceability.

Network Optimization

In the integration process carried out through company mergers, efforts to create synergy among subsidiaries included network design studies for optimizing storage and distribution processes using mathematical modeling. In this context, the existing network infrastructure, including distribution centers, storage points, and transportation channels in different geographical regions, has been thoroughly analyzed to maximize efficiency.

The mathematical modeling was structured to strategically position each storage and distribution point, optimizing transportation costs and inventory levels. These analyses were conducted to achieve cost advantages and enhance distribution speed, thereby maximizing customer satisfaction. In particular, the optimization models used to determine the most appropriate logistics network structure included a cost-benefit analysis of each connection used in the distribution process.

Through these modeling efforts, opportunities for improvement within the existing network have been identified, resulting in the creation of a structure aimed at achieving maximum service quality with minimal cost. At the same time, this modeling process has provided valuable insights into how storage and distribution strategies can be adapted to future growth and expansion scenarios.

Automation Level Analysis

To support the efficiency and digital transformation of processes within the supply chain, an automation level analysis was initiated to identify key areas for process improvement. A total of 1,600 sub-processes subject to the analysis were evaluated; processes that could be automated in the short and long term were prioritized, and a digital roadmap was created. Projects that will provide the highest benefit are grouped under the umbrella project and monitored regularly. The mutual effects of processes were analyzed, and a comprehensive automation roadmap for the supply chain was developed. As a result of these efforts, a comprehensive data source regarding processes and automation levels has been created. This project is a pioneering initiative in adapting automation methods to the supply chain.

International Shipment Visibility (ALBA Project)

This project, aimed at providing logistics visibility, enabling the tracking of import and export vehicle movements end-to-end, in real-time, and supported by alert systems, is ongoing. The road transport phase of the project was launched in the second half of 2024, while the sea transport phase was implemented in the last quarter.

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By bringing all stakeholders onto a single platform, the aim is to eliminate manual tracking and enhance operational efficiency.

The goal is to increase digitalization and data quality through automated screens. The AI-powered new tracking platform forecasts estimated arrival dates and provides alerts for delays and exceedances of free time. The project aims to reduce costs by preventing potential delays while enhancing service quality through detailed carrier performance reports.

Robotic Process Automation (RPA) 2024

RPA studies conducted with global supply chain units progressed in 2024. The various applications of deployed robots within the global supply chain are currently under assessment and expansion.

The integration of RPA processes with AI initiatives has led to the digitalization of both manual operations and decision-making procedures. For instance, RPA technology is utilized in the process of defining ship schedules from carriers to the system, while potential delays are anticipated through the application of AI technology. This process enhances both service and operational quality.

Another example is the automated closure of past orders based on certain rules, with necessary delivery-order matching adjustments being handled by robots. This ensured that the order data remained up-to-date.

Sustainable Supply Chain

Sustainability is integrated into sales, demand, supply, transportation, and storage operations. Environmentally friendly business models are being developed, and feasibility studies and workshops for additional green business models are ongoing.

By integrating sustainability into supply chain operations, it is aimed at achieving net-zero emissions and zero-waste targets. Feasibility studies for ecofriendly solutions, such as low-emission transportation modes, biofuels, and electric vehicles, are conducted regularly, and these solutions are implemented on appropriate routes. Pilot trials were conducted in 2024 for shipments within Turkey and to Turkish ports. Efforts are also ongoing to utilize real-time data for emission calculations.

Energy efficiency has been attained through the implementation of smart electricity and natural gas automation systems, along with modifications to forklift rectifiers. Additionally, the reuse of consumables and the utilization of consumables produced from recycled materials have been reduced.

At the same time, energy consumption is optimized through digitalization, paperless workflows, and smart automation systems.

Efficiency is enhanced through automated forklift safety systems, while workplace safety for warehouse employees is ensured through AI-powered applications that use cameras installed inside the warehouse to detect and report unsafe conditions in real-time, along with ramp safety systems and ergonomic risk assessments.

Regular meetings and sustainability training sessions continue with all logistics partners.

Supply Chain Data Management and Analytics

Infrastructures continue to be developed to facilitate seamless data transfers. Noteworthy initiatives include the automated sharing of daily sales and inventory data through learning systems, enabling proactive measures to reduce inventory burden through analysis made with data analytics.

At the same time, machine learning initiatives have been launched to anticipate and optimize potential delays in any stage of the operation.

Utilizing Artificial Intelligence (AI) and Generative Artificial Intelligence (GenAI) in Supply Chains

To enhance awareness and knowledge, supply chain employees were provided with training on AI and GenAI in 2024. Following this training, a workshop was conducted to identify application areas, and processes were identified where AI and GenAI technologies could be utilized across the entire supply chain, from materials to the end-customer.

A GenAI initiative was developed to capture news that could pose risks to the supply chain in real-time, assess its significance, and share it with the relevant stakeholders.

Additionally, efforts are ongoing to analyze documents within import logistics processes to optimize operations.

To enhance awareness and knowledge, supply chain employees were provided with training on AI and GenAI in 2024.

Subsidy Digitalization Project

To manage subsidized imports in compliance with regulations and with minimal risk, manual processes have been automated, and SAP and Ministry systems have been integrated with robotic processes. With the Automation and Traceability Project, subsidized materials have become traceable at the SKU level. Our project, which will be implemented for the first time in the industry, enables end-to-end tracking of imported materials through developments implemented on SAP.

Warehouse Automation

The latest warehouse automation technologies in the industry are regularly monitored and implemented. Innovations such as dark warehouses, autonomous forklifts, batch picking systems, and automated truck loading and unloading are aimed at making operations more efficient, reducing costs, and enhancing service levels. These automated solutions enable us to keep pace with increasing customer demands while maintaining the highest standards of operational excellence. As we continue to advance in warehouse automation, future steps are already being planned to sustain and further enhance these developments.



Corporate Governance

Strong

Corporate governance

Effective

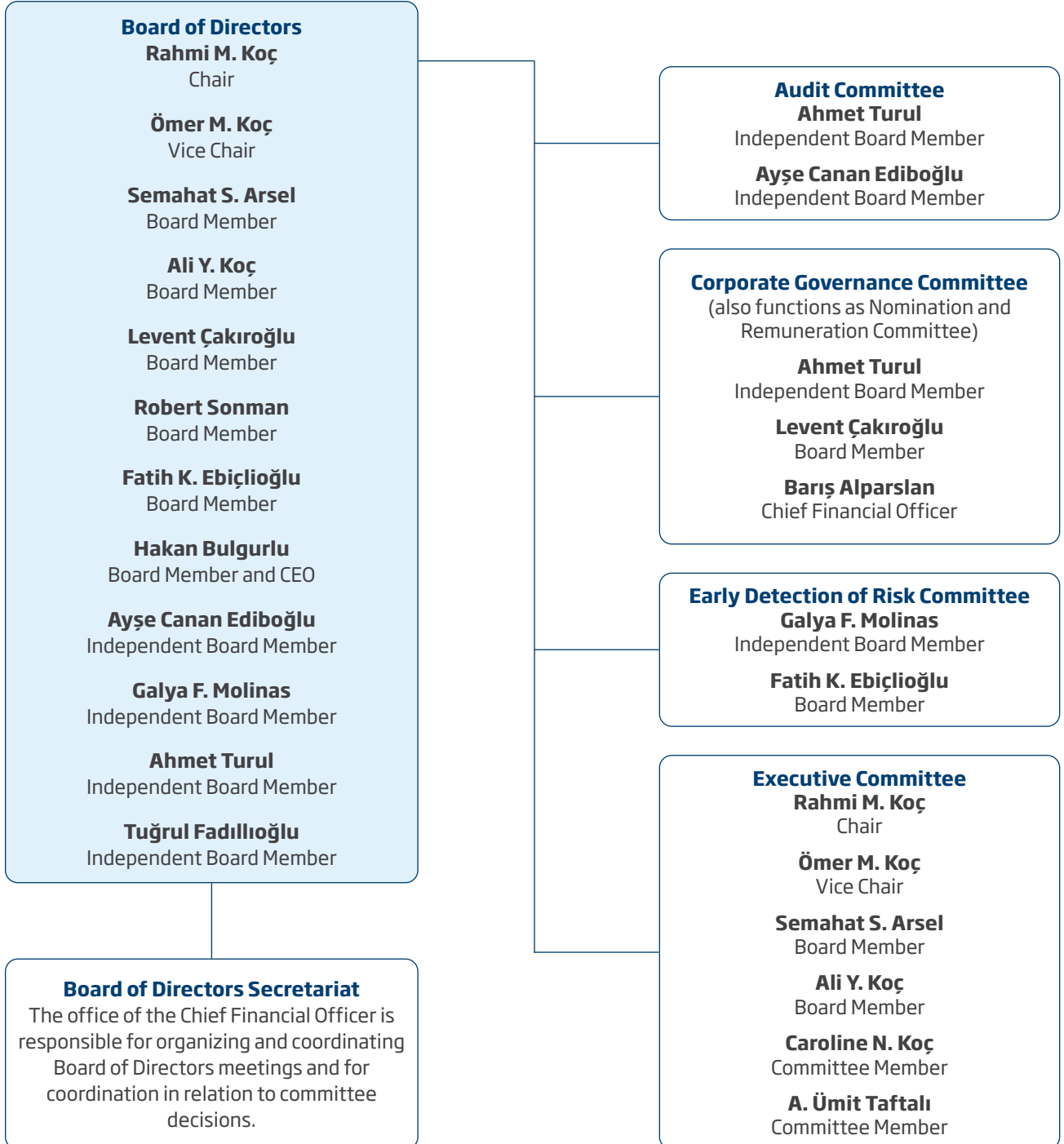
Risk management

Transparent

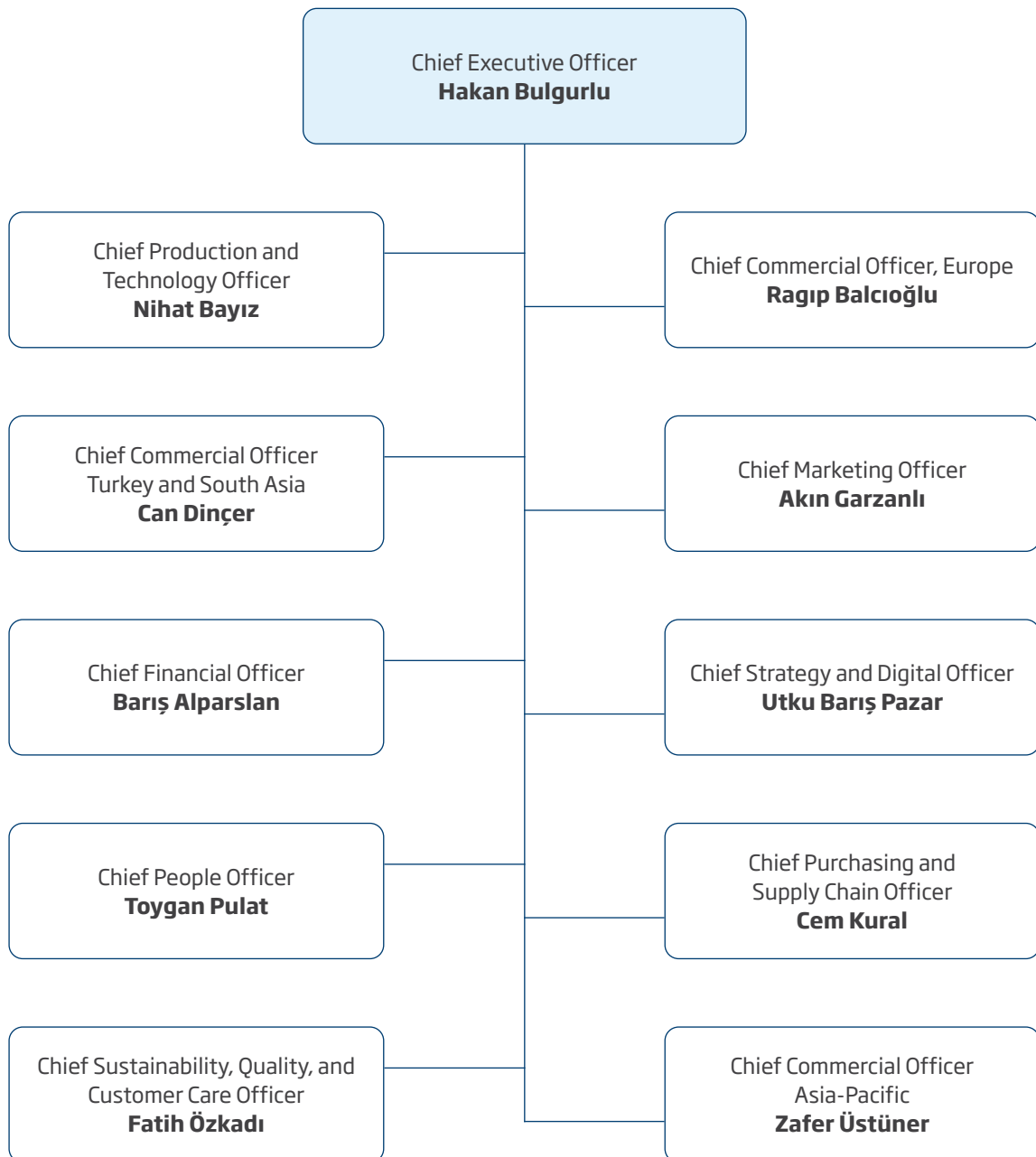
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ORGANIZATION CHART



BOARD OF DIRECTORS CVS

Rahmi M. Koç

Chair

A graduate of Johns Hopkins University in Business Administration, he joined the Koç Group in 1958 at Otokoç Ankara. He became Chair of the Management Committee in 1980 and was named Chair of the Board of Directors of Koç Holding in 1984, a post he held until 2003 when he became the Honorary Chair. Apart from Koç Holding, he also serves as a Member / Chair of the Board of Directors of other Koç Group companies. In addition, Rahmi M. Koç is or has been affiliated with social and professional organizations including:

- The Metropolitan Museum of Art, New York City, Former Honorary Member of the Board of Trustees
- Former Co-Chair of the Business Advisory Council for South East Europe (BAC SEE)
- Vice Chair of the Board of Trustees of Vehbi Koç Foundation
- Honorary Chair of the Board of Trustees of Koç University
- Founder and Chair of the Board of Directors of the Rahmi M. Koç Museum and Cultural Foundation
- Chair of the Board of Directors of the Vehbi Koç Foundation American Hospital
- Honorary Chair and Founding Member of TURMEPA, The Turkish Marine and Environment Protection Association
- Honorary Chair of the Advisory Board of the Turkish Industrial and Business Association (TÜSİAD)
- Member of the Advisory Board of the Turkish Employers Association
- Founding Chair of the Global Relations Forum
- Former President of the International Chamber of Commerce (1.1.1995-31.12.1996)
- Former President of the Turkish Greek Business Council (1992-1999)

- Former Member of the Allianz AG International Advisory Board
- Former Member of the J.P. Morgan International Council
- Former Member of the International Advisory Board of the US Council on Foreign Relations

Rahmi M. Koç has been awarded with the following merits and degrees:

- "Honorary Doctorate" degrees by Johns Hopkins University (Baltimore-Maryland), Eskişehir Anadolu University, İzmir Ege University, Ankara Bilkent University, Ovidius University of Constanza and Aydın Adnan Menderes University
- "Outstanding Service Award" by the President of the Turkish Republic
- German Government's "Grosses Verdienst Kreutz"
- "Order of High Merit of the Italian Republic"
- "Order of Merit of the Austrian Government"
- "(Honorary) Commander of the Most Excellent Order of the British Empire (CBE)"
- "Officier dans l'Ordre National de la Légion d'Honneur", the highest medal awarded by the French government
- "Responsible Capitalism Lifetime Achievement Award" from FIRST, a leading multidisciplinary international affairs organization
- The medal of Foreign Policy Association (FPA), globally recognized think-tank with its 100-year history
- "Hadrian Award" by the World Monuments Fund to the Koç Family
- "Carnegie Medal of Philanthropy" (New York) to the Koç Family
- "BNP Paribas Philanthropy Award" (Paris) to the Koç Family
- "Iris Foundation Award" from BARD Graduate Center to the Koç Family

Ömer M. Koç

Vice Chair

In 1985, he received his B.A. degree in Ancient Greek Language and Culture from Columbia College, which is linked to Columbia University. He worked at Kofisa Trading Company in Switzerland for one year. He completed his MBA at Columbia University in 1989. After working at New York-based Ramerica International Inc. between 1989 and 1990, he joined Koç Group in 1990. He held various senior positions at Koç Holding including Finance Coordinator, Vice President and President of Energy Group. He became member of Board of Directors in 2004 and Vice Chair in May 2008. In February 2016, he was appointed as the Chair of the Board of Directors of Koç Holding. He serves as the Vice President of TÜSİAD High Advisory Council, Chair of Turkish Educational Foundation Board of Trustees, President of Geyre Foundation and Chair of Yapı Kredi Kültür Sanat Yayıncılık Board of Directors, Chair of İstanbul Foundation For Culture and Arts Board of Trustees, Chair of Tüpraş Board of Directors, Chair of Tofaş Board of Directors and Member of the Board of Directors at other Koç Group companies.

Semahat S. Arsel

Member

She began her career in 1964 as a Member of the Board of Directors of Koç Holding, a position she continues to hold. In addition, she is Chair of the Board of Directors of Vehbi Koç Foundation and the Divan Group, founder of the Semahat S. Arsel Nursing Education and Research Center and the Koç University School of Nursing. She also serves as Member of the Board of Directors of other Koç Group companies as well as Member of the Board of Trustees of

the Educational Volunteers Foundation of Turkey (TEGV). Semahat Arsel has received an "Honorary Doctorate" degree from İstanbul University.

Ali Y. Koç

Member

He received his bachelor's degree from the Management Faculty of Rice University and MBA from Harvard Business School. He started his career at American Express Bank as a Management Trainee and continued as an Investment Analyst at Morgan Stanley Investment Bank. Ali Y. Koç joined Koç Holding in 1997 and held senior-level positions until 2010 including new business development and information technologies (IT) as well as the President of Corporate Communications and IT Group. After serving as a Member of the Board of Directors at Koç Holding for over 8 years, he was elected as the Vice Chair in February 2016. Since April 2016, Ali Y. Koç also serves as Chair of the Board of Directors of Koç Financial Services, Yapı Kredi Bank, Ford Otosan, Otokar as well as several other Koç Group companies. In addition to being Chair and Vice Chair at Turkey's largest companies and financial institutions, Ali Y. Koç also contributes to the country's social and economic development and currently is the President of Fenerbahçe Sports Club, Member of the Board of Directors of the International Competitiveness Research Institute (URAK), Member of the Executive Board of European Club Association (ECA) and Member of the Board of Directors of Endeavor Turkey and also Member of the Board of Trustees at Tema. He is also a Member of the Global Advisory Council of Harvard University, Bank of America and Council on Foreign Relations and a Member of the Panel of Senior Advisers at Chatham House. He represents Turkey at the CBI - Confederation of British Industry.

BOARD OF DIRECTORS CVS

Levent Çakıroğlu

Member

Levent Çakıroğlu graduated from Ankara University Faculty of Political Sciences, Business Administration Department and received his master's degree from University of Illinois. He started his career as an Assistant Auditor at the Ministry of Finance in 1988, where he worked as a Senior Auditor between 1991 and 1997. He served as Vice President of Financial Crimes Investigation Board between 1997 and 1998, meanwhile he taught as a Part Time Instructor at Bilkent University. Çakıroğlu joined Koç Group in 1998 as Koç Holding Financial Group Coordinator. He was the General Manager of Koçtaş between 2002 and 2007 and the CEO of Migros between 2007 and 2008. He was assigned as the CEO of Arçelik in 2008 and also became President of the Durable Goods Group of Koç Holding in April 2010. Çakıroğlu has been appointed as the CEO of Koç Holding in April 2015. He currently serves as the CEO and has also been a Member of the Board of Directors of Koç Holding since April 2016. Levent Çakıroğlu is also the Chair of the Board of Directors of Arçelik- LG and TürkTraktör, the Vice Chair of Yapı Kredi Bank and Member of the Board of Directors at various Koç Group companies.

Robert Sonman

Member

Mr. Robert Sonman has graduated from the Department of Architecture with an M.A. degree from the McGill University in Canada. He works as the Chair of the Board of Directors at the Burla Group Companies, which have shares in Arçelik A.Ş. He has been a Member of the Board of Directors at Arçelik A.Ş. since April 1994. He speaks English and French. Mr. Robert Sonman, who is a non-executive board, member pursuant to the Corporate Governance Principles of the CMB, is not an independent member.

Fatih Kemal Ebiçlioğlu (Ph.D)

Member

At 1989 Fatih Kemal Ebiçlioğlu started his career at the Ministry of Finance as a Junior Financial Auditor and served as a Financial Auditor and Chief Financial Auditor. He joined the Koç Group in 2002 and worked as the Coordinator of the Finance Group and continued as the Coordinator of Audit Group between 2004-2005. In April 2005 he was assigned as Chief Financial Officer (CFO) of Arçelik AS, where he also oversaw cybersecurity and related strategies within the Information Technologies function, reporting directly to him. From February 2015, he serves as President of Consumer Durables at Koç Holding AS. He is also a member of the Board of Directors of Arçelik and holds positions as Chair and Member of the Board of Directors in several other Koç Group companies. He graduated from Ankara University, Faculty of Political Science and Public Administration. He completed his MBA in Finance at Virginia Commonwealth University and has a PhD from Ankara University, Faculty of Business Administration. Mr. Ebiçlioğlu is also a Member of the Board of Directors of TÜSİAD (Turkish Industry and Business Association).

Hakan Bulgurlu

Member

Hakan Bulgurlu graduated from the Department of Economics and Mechanical Engineering at the University of Texas, and earned his MBA from the joint program of Northwestern University, Kellogg School of Management, and Hong Kong University of Science and Technology.

Having started his career at Koç Holding in 1994, Bulgurlu was assigned to key senior management positions in Asia and spent 13 years in Hong Kong where he led Koç Holding's Asia-Pacific trading and outsourcing operations. Bulgurlu served as the CEO of Arçelik-LG between 2007 and 2010, a joint-venture manufacturer of air conditioners, with the largest facility in Europe and the Middle East. Following his tenure at Arçelik LG, he served as Chief Commercial Officer – Europe, USA, Asia-Pacific at Arçelik between 2010-2015, and has been acting as the CEO of Arçelik since 2015. He is a member of the Climate Leaders CEO Alliance within the World Economic Forum (WEF) and is the President of the European Association of Home Appliance Manufacturers (APPLiA). Hakan Bulgurlu is also a member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD).

According to the Capital Markets Board (CMB) Corporate Governance Principles, Hakan Hamdi Bulgurlu is an executive member and does not qualify as an independent member.

Ayşe Canan Ediboğlu

Independent Member

Ayşe Canan Ediboğlu completed her high school education at Ancaster House School and later pursued her higher education in economics at the University of Southampton in the United Kingdom. She holds a master's degree in financial management and control from the same university. After working as a research assistant at the University of Southampton, she entered the business world in 1980 as the Planning Manager at Shell.

After serving in various roles at Shell Turkey, she became the General Manager of the company in 2002 and later took on the title of Country Manager of Shell Turkey in 2006. Between 2006 and 2009, she served as a Board Member of Shell-Turcas Petrol Inc. Ayşe Canan Ediboğlu served as an Independent Board Member at Aygaz from 2012 to 2018 and as an independent board member at Tüpraş from 2018 to 2024. Additionally, she has been an independent board member at ING Bank in Turkey since 2010.

Ayşe Canan Ediboğlu has not held any other positions at Arçelik A.Ş. or its subsidiaries in the last five years. She has no direct relationship with senior executives of Arçelik A.Ş. She does not own directly or indirectly more than 5% of the capital of Arçelik A.Ş., does not represent any employees, and does not have any commercial relationship with Arçelik A.Ş.

BOARD OF DIRECTORS CVS

Galya F. Molinas

Independent Member

Galya F. Molinas has worked as an executive in operations, marketing, and strategy in multinational consumer goods companies in Eastern Europe, the Middle East, Asia, the United States, Mexico, and Latin America. She began her career at Unilever Türkiye and held various roles within The Coca-Cola Company (NYSE: KO) from 1996 to 2021, including President of the Mexico Region, Global Strategy President, President for Türkiye and Central Asia Regions, and Marketing Director for Eurasia, Central Asia, and the Middle East. Additionally, she served as the Vice Chair of the Board of Directors at Coca-Cola İçecek (COLA.IS) from 2016 to 2021.

Molinas has held leadership positions such as the President of the Turkey Sustainable Development Business Council, Vice Chairman of the Board of Directors at YASED International Investors Association, and President of the Coca-Cola Foundation in Türkiye and Mexico. She is the founding member for regional units of various international women's leadership organizations such as WCD. Currently serving as a member of the investment committee for Founder One, the first social impact fund in Türkiye, Molinas teaches at the London Business School. She is a member of the Harvard Business School Alumni Board and the Advisory Board of the International Management Institute at Georgia State University. A graduate of Harvard Business School, Molinas completed her undergraduate degree in Business Administration at Boğaziçi University Faculty of Economics and Administrative Sciences.

Molinas has not held any other positions at Arçelik A.Ş. or its subsidiaries in the last five years. She has no direct relationship with senior executives of Arçelik A.Ş. She does not own directly or indirectly more than 5% of the capital of Arçelik A.Ş., does not represent any employees, and does not have any commercial relationship with Arçelik A.Ş.

Ahmet Turul

Independent Member

Ahmet Turul graduated from Ankara University Faculty of Political Sciences in 1980. After serving as an Assistant Accountant and Accountant at the Ministry of Finance from 1980 to 1988, he worked at Koç Holding A.Ş. from 1988 to 1999 as the Deputy Coordinator of Financial Affairs and later as the Coordinator of Financial Affairs. Between 1999 and 2002, he held the position of Deputy General Manager of Financial Affairs at Koç Tüketici Finansmanı A.Ş. From 2002 to 2010, he served as the Deputy General Manager of Financial Affairs at Allianz Sigorta A.Ş. and Allianz Hayat ve Emeklilik A.Ş. Subsequently, from 2010 to 2022, he served as a Board Member at Allianz Sigorta A.Ş. and Allianz Hayat ve Emeklilik A.Ş. Ahmet Turul acted as an Independent Member of the Board of Directors at Tüpraş-Türkiye Petrol Rafinerileri A.Ş. from 2014 to 2019. Currently, he is a Member of the Advisory Board at the Insurance Association of Turkey and a Member of the Tax Council representing TSB.

Ahmet Turul was elected as an Independent Board Member at the Ordinary General Assembly Meeting held on 19 March 2019, and has continued to serve as an independent member of the Arçelik Board of Directors since that date.

Ahmet Turul has not held any other positions in Arçelik or its subsidiaries in the last five years. He does not have any relationship with Arçelik senior executives. Ahmet Turul does not directly or indirectly hold more than 5% of Arçelik's shares, has no employee representation and he does not have any commercial relationship with Arçelik A.Ş.

Tuğrul Fadilloğlu

Independent Member

Tuğrul Fadilloğlu graduated from the Department of Mechanical Engineering, Boğaziçi University in 1982. From 1982 to 2002, he worked at Arçelik A.Ş. as a Product Development Engineer, Production Engineer, Mold House Supervisor, Technical Manager at the Washing Machine Plant, Quality Assurance Manager at the Washing Machine Plant, Operating Manager at the Vacuum Cleaner Business

in İzmir, Deputy General Manager for Small Household Appliances, and Founding Director of the Vacuum Cleaner and Motor Plant in Çerkezköy respectively. Then, he worked as Deputy General Manager for Operations and Technology at Tanı Pazarlama Hizmetleri A.Ş. between 2002 and 2004, before he worked as the General Manager at the same company from 2004 to 2009. Assigned to Zer A.Ş. as the General Manager in 2009, Fadilloğlu held this position until

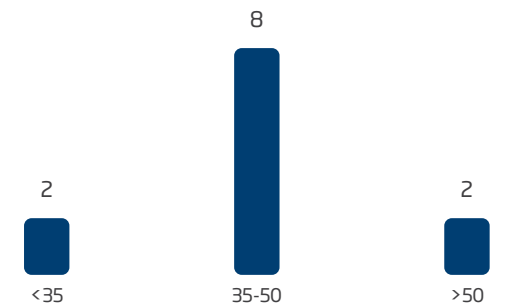
he retired in 2014. In this period, he also acted as a Member of the Board of Directors at Tanı Pazarlama Hizmetleri A.Ş. When he was in İzmir from 1995 to 2000, Tuğrul Fadilloğlu worked as the Founding Chair of the İzmir Branch of the Quality Association of Turkey (KalDer), and a Member of the Chamber of Industry for the Aegean Region in 2000, which was his last active year there. After retirement, Fadilloğlu has held senior executive positions, board memberships, and the role of General Coordinator at the Turkey Quality Association (KalDer). Currently, he continues to serve as an Independent Board Member at Kocaer Çelik A.Ş. and as an Advisory Board Member at Sistem Teknik A.Ş.

Tuğrul Fadilloğlu has not held any other positions in Arçelik or its subsidiaries in the last five years. He does not have any relationship with Arçelik senior executives. Tuğrul Fadilloğlu does not directly or indirectly hold more than 5% of Arçelik's shares, has no employee representation and he does not have any commercial relationship with Arçelik A.Ş. Tuğrul Fadilloğlu was elected as an Independent Board Member at the Ordinary General Assembly Meeting held on March 25, 2020, and has been continuing to serve as an independent member of the Arçelik Board of Directors since that date.

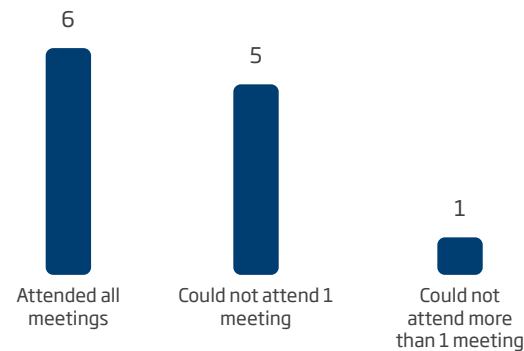
BOARD OF DIRECTORS CVS

In order for the Board of Directors to support the Company's activities in the most effective way, members at Arçelik are positioned for relevant committees and responsibilities, taking into account their past work experience in different fields. Information about Arçelik Board of Directors members is summarized in the graphs below.

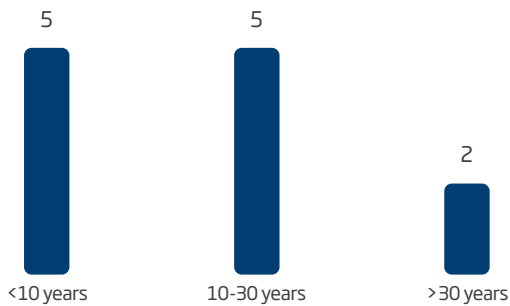
Work Experience
(years)



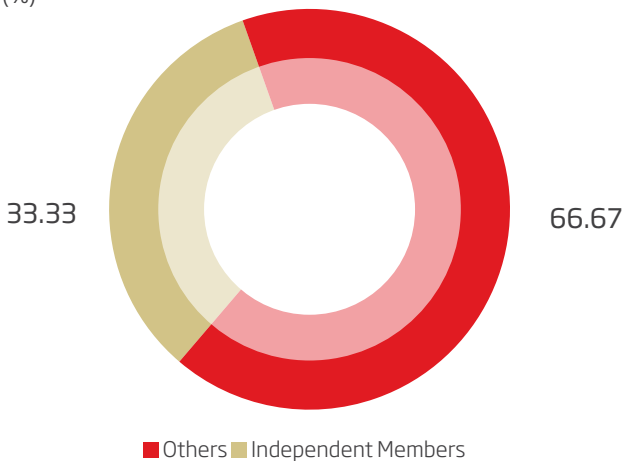
Attendance in Meetings



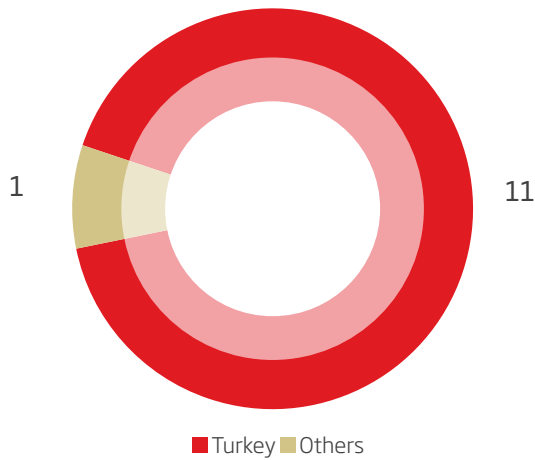
Term of Office on the Company's
Board of Directors



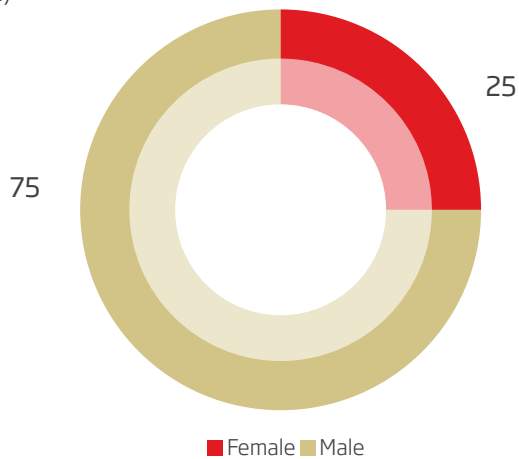
Independence Status
(%)



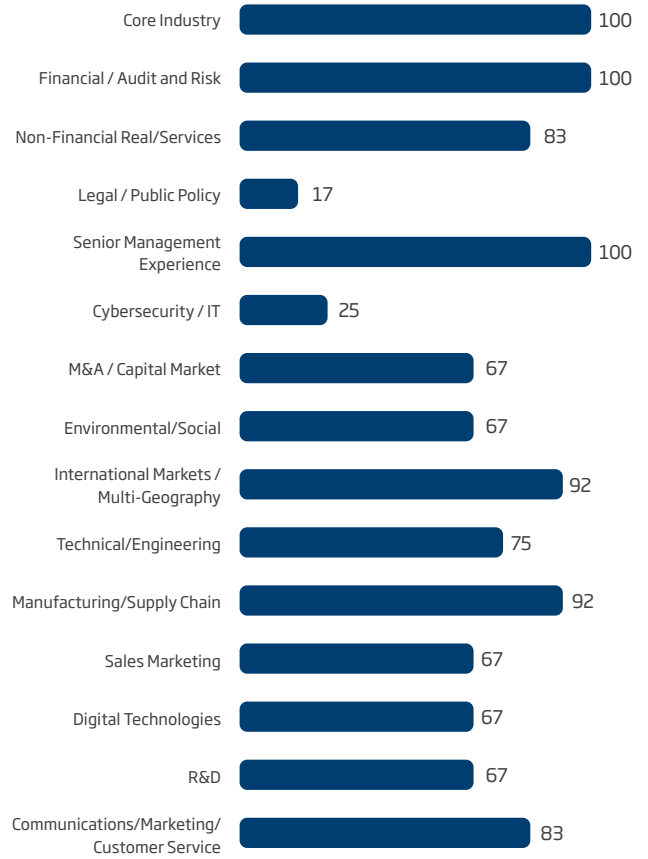
Citizenship/Residency



Gender Distribution of the Board of Directors (%)



Board of Directors Skills¹ (%)



¹ Glass Lewis Board of Directors Talent Matrix was taken into consideration in the evaluation

EXECUTIVE MANAGEMENT CVS

Hakan Bulgurlu

Chief Executive Officer

Hakan Bulgurlu graduated from the Department of Economics and Mechanical Engineering at the University of Texas, and earned his MBA from the joint program of Northwestern University, Kellogg School of Management, and Hong Kong University of Science and Technology.

Having started his career at Koç Holding in 1994, Bulgurlu was assigned to key senior management positions in Asia and spent 13 years in Hong Kong where he led Koç Holding's Asia-Pacific trading and outsourcing operations. Bulgurlu served as the CEO of Arçelik-LG between 2007 and 2010, a joint-venture manufacturer of air conditioners, with the largest facility in Europe and the Middle East. Following his tenure at Arçelik LG, he served as Chief Commercial Officer – Europe, USA, Asia-Pacific at Arçelik between 2010-2015, and has been acting as the CEO of Arçelik since 2015.

He is a member of the Climate Leaders CEO Alliance within the World Economic Forum (WEF) and is the President of the European Association of Home Appliance Manufacturers (APPLiA). Hakan Bulgurlu is also a member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD).

Barış Alparslan

Chief Financial Officer

Barış Alparslan graduated from Boğaziçi University with a degree in Business Administration. He began his career in 2007 as an Investment Banking Analyst at HSBC Bank A.Ş.

Alparslan worked as an Investment Banking Associate at Nomura Bank International Plc., CEE, CIS & Turkey between 2010 and 2011, at Deutsche Bank A.Ş. between 2011 and 2014. From 2014 to 2018, he held the roles of Investment Banking Vice President and Director at Deutsche Bank. He joined Koç Group in 2019 and served as Koç Holding Finance Coordinator for five years.

Throughout his career, Alparslan has led numerous mergers and acquisitions, equity and debt capital markets, and privatization projects both in Turkey and globally. In August 2024, Alparslan has been appointed as Arçelik Chief Financial Officer.

Nihat Bayız

Chief Production and Technology Officer

Nihat Bayız graduated from Mechanical Engineering at METU in 1993. He completed the Harvard Business School Advanced Management Program in 2016.

Bayız, who started his career as a Research and Development Engineer in the R&D Department of Aselsan A.Ş. in 1993, joined Arçelik as an Engineer in the Production and Engineering Department in 1994. Over the years, he held various leadership roles including Dishwasher Product Director, Cooling Product Director, and Global Product Management Director before assuming the position of Arctic General Manager in 2016. He served as Arçelik R&D Director from 2019 to 2020 and was appointed Chief Production and Technology Officer in 2021.

In addition to his executive role at Arçelik, he is affiliated with Harvard and METU Alumni Associations and has been a member of the Young Presidents Organization's (YPO) Romania chapter since 2017.

C. Can Dinçer

Chief Commercial Officer
Turkey and South Asia

Can Dinçer received his undergraduate degree from Istanbul Technical University, Department of Mechanical Engineering in 1989, and his Master's degree from the US Stevens Institute of Technology, Department of Business Administration in 1993. He completed the Harvard Business School Advanced Management Program in 2017.

Dinçer, who started his career in 1993 as a Management Trainee in the Finance Department of Arçelik, worked as a Regional Sales Associate in the Export Department in 1995. He worked as Sales Manager for CIS and Other Countries (2000-2005), Sales Director for Non-European Markets (2005-2009), Sales Director for Europe, America, Asia-Pacific (2009-2012), Sales Director for Subsidiaries, America, Asia-Pacific (2012-2015), and Chief Commercial Officer - Turkey (2015-2017). Can Dinçer has been serving as Chief Commercial Officer – Turkey and South Asia since January 2018. In tandem with this position, he serves as the CEO of Arçelik Pazarlama A.Ş., to which position he was appointed on 30 December 2016.

M. Ragıp Balcioğlu

Chief Commercial Officer, Europe

Ragıp Balcioğlu received his Bachelor's degree in Industrial Engineering from Istanbul Technical University in 1989 and his Master's degree in Business Administration from Koç University in 1996. He completed the Harvard Business School Advanced Management Program in 2019.

Ragıp Balcioğlu began his professional career in 1990 as a Marketing Manager at Data Hidrolik Makine Sanayi A.Ş. He then worked as an Imported Material Planning and

Purchasing Specialist at Arçelik from 1992 to 1996. In 1996, Balcioğlu was appointed as the Trading Manager of Beko England. He was promoted to Product Marketing Manager at Beko Plc in 2003 and then to Product Marketing Director in 2004. In 2006, he was appointed as Product Management and Supply Director. Balcioğlu served as Sales Director at Beko Plc from 2008 to 2010. He then worked as the UK and Ireland Country Manager at Arçelik and General Manager at Beko Plc from 2011 to 2015. In 2015, Balcioğlu was appointed as Chief Commercial Officer – International Sales at Arçelik, a position he held until 2017. From January 2018 to April 2023, he served as Chief Commercial Officer – Europe, the Middle East, North Africa, and Americas.

In line with the company's restructuring and anticipated inorganic expansion in Europe, he has been serving as Chief Commercial Officer – Europe since April 2023. In addition to his role at Arçelik, Balcioğlu serves as the CEO of Beko Europe as of April 2024.

Akin Garzanlı

Chief Marketing Officer

Akin Garzanlı, who has worked at Arçelik for more than 20 years in various capacities, serves as the Chief Marketing Officer. Leading 22 global and local brands in 58 countries with a marketing team spread across a large geography and developing marketing strategies that make a difference, he is in charge of global brand management and marketing communications, industrial design, product management, small domestic appliances, content excellence, marketing insight and analytics, and marketing growth and transformation. In addition to the marketing function, he also oversees the Middle East, Africa, Russia, Belarus, and Central Asia regions as of 2023.

EXECUTIVE MANAGEMENT CVS

Garzanlı started his career in 2002, when he became responsible for Arçelik's global markets. He has held key positions in the company's global functions, including sales, product management, marketing and customer service. In 2018, he was appointed as Global Customer Care Director, and as of 2020, he assumed the role of Global Brand Director in addition to this position.

Garzanlı graduated from St. George's Austrian High School in Istanbul and holds a bachelor's degree from Istanbul University in the field of Management. He earned his MBA from the Koç University. Akin also completed several programs at Harvard Business School and Kellogg School of Management.

Utku Barış Pazar

Chief Strategy and Digital Officer

Utku Barış Pazar started his career at Nokia Networks in 2000, and after a series of roles at Nokia (Siemens) Networks - North America and McKinsey&Company, he served as the Chief Technology Officer at Doğuş Media Group between 2013-2015.

He joined Koç Group in 2015 as Strategic Planning Director at Arçelik, and was appointed as Strategy and Business Development Director at Koç Holding A.Ş. in 2016. Since 2018, he has been serving as Chief Strategy and Digital Officer at Arçelik. During this period, he also assumed the responsibilities of Supply Chain and Asia Pacific region. As of 2023, he has been overseeing the Americas region in addition to the Strategy and Digital function.

In addition to his responsibilities at Arçelik, Utku Barış Pazar has served as Chairman of the Software Working Group at TÜSİAD (2019-2022), is a member of the IDC Global CIO

Advisory Board since 2023 and Koç Holding's Delegate at World Economic Forum Consumer Industries Strategy Officers Community since 2024.

Holder of an Electrical and Electronic Engineering degree from the Middle East Technical University in 2000, Utku Barış Pazar later had his postgraduate degree in 2010 from the Emory University Goizueta Business School and completed Harvard Business School Advanced Management Program in 2022.

Zafer Üstüner

Chief Commercial Officer
Asia-Pacific

Zafer Üstüner received his double major bachelor's degree in Electronics Engineering and Mathematics from Boğaziçi University, Turkey in 1991 and an MBA degree from Koç University, Turkey in 1998. Additionally, he completed Harvard Business School's Advanced Business Program in 2018.

Üstüner began his career at Arçelik as International Sales Manager (2001-2007), before his appointment as Country Manager of Beko Germany (2007-2012). There followed appointments as Country Manager of Beko Russia (2012-2015), and Regional Director of Russia and CIS countries in 2016. At the end of 2016, Üstüner became Country Manager of Thailand and Regional Director of APAC (overseeing Australia, New Zealand, China, Malaysia, Vietnam, Singapore, Indonesia and Philippines). In 2021, he was appointed CEO of Arçelik Hitachi Home Appliances, a joint venture between Arçelik and Hitachi Global Life Solutions, and in addition to this role, in 2023, he assumed the position of Chief Commercial Officer responsible for Asia-Pacific operations.

Toygan Pulat

Chief People Officer

Toygan Pulat earned her BA in Industrial Engineering from Middle East Technical University in 1994 and her MBA from Bilkent University in 1996. Between 1999-2000, she studied Human Resources Management in McMaster University in Canada.

Toygan Pulat began her career as a Project Engineer at Philsa in 1996 and has since cultivated a diverse 25-year tenure in global blue-chip companies within the consumer goods, beauty, and telecom sectors, including a decade spent working internationally.

Toygan Pulat has been serving as Chief People Officer since June 2021, overseeing Arçelik's global human resources team spreading across a vast geography from Asia-Pacific to North America.

Fatih Özkadı

Chief Sustainability, Quality, and Customer Care Officer

Fatih Özkadı completed his undergraduate education at Istanbul Technical University Mechanical Engineering Department in 1990 and has a master's degree from Istanbul Technical University Institute of Science Mechanical Engineering Department that he obtained in 1993.

Starting his career at Arçelik as a Research Engineer in the R&D Department, Özkadı worked as an Engineer (1992 - 1998), Specialist (1998 - 2004) and Manager (2004 - 2010). Between 2010 and 2015, he served as Energy and Environment Manager and between 2015 and 2020, he took on the role of Sustainability and Corporate Affairs Director.

While he was still in office, he served as the President of the Environmental Committee of Koç Group between 2014 and 2016. Fatih Özkadı, who assumed the position of Executive Director - Quality, Sustainability and Corporate Affairs in March 2020, has been appointed as the Chief Sustainability, Quality, and Customer Care Officer, as of November 2023.

In addition to his responsibilities at Arçelik, he serves as TÜSiAD Environment and Climate Change Working Group Chairman, TURKTRADE (Foreign Trade Association of Turkey) Board Member, TÜRKBESE (White Goods Manufacturers' Association of Turkey) Board Member and the European Home Appliances Manufacturers Association (APPLiA) Council member.

Cem Kural

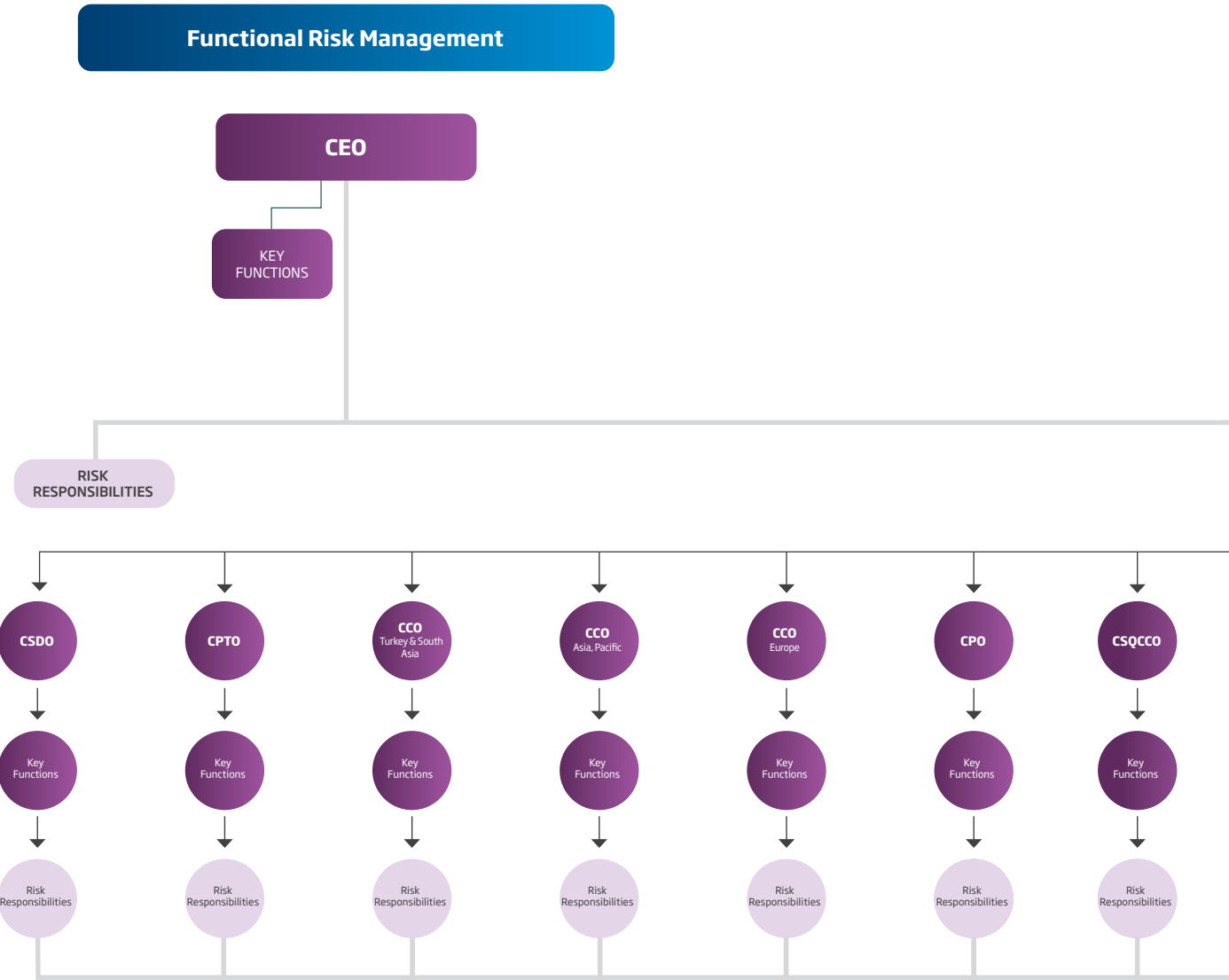
Chief Purchasing and Supply Chain Officer

Cem Kural graduated from Middle East Technical University, majoring in Electrical and Electronics Engineering. He later pursued his master's degree at the same university in Electrical and Electronics Engineering. Cem Kural started his professional journey as an R&D Engineer at Testaş A.Ş. in 1992 and joined Arçelik in 1995 as an R&D Engineer. Over the course of his nearly 30-year career at Arçelik, Kural has held various positions in R&D and electronics. He worked as R&D Director from 2012-2017 and Product Sourcing Director from 2018-2020. Kural, who served as Arçelik-LG General Manager between 2021-2023, has been appointed as Arçelik's Chief Purchasing and Supply Chain Officer as of November 2023.

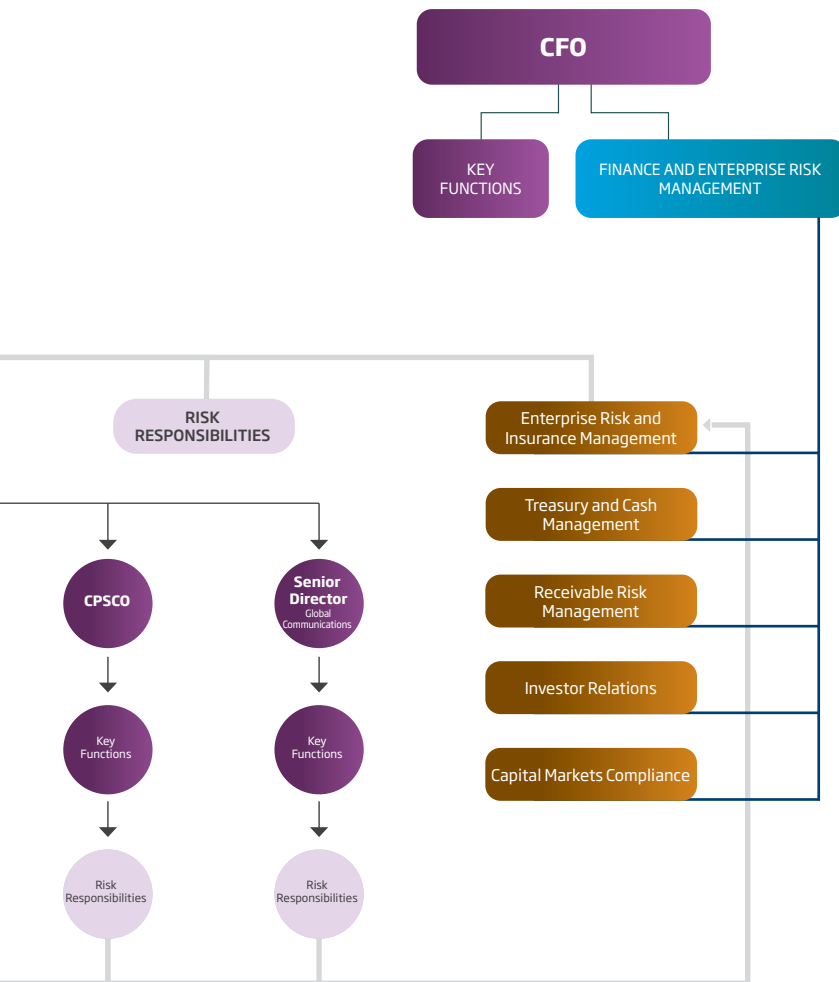
RISK MANAGEMENT AND INTERNAL AUDIT

Board of Directors Risk Committee

Chair: Independent Board Director **Director:** Board Director



Risk Coordination and Supervision



Risk management and Risk Management Committee activities

The Board of Directors establishes the risk management and internal control systems to identify and minimize the impacts and likelihood of the risks that may affect the company's stakeholders, primarily the shareholders, and periodically reviews the effectiveness of these systems.

In line with the decision passed in Arçelik Board of Directors Meeting dated 16.07.2010, a Risk Management Committee has been established to achieve alignment with Article 378 of the Turkish Commercial Code No. 6102 and the CMB Corporate Governance Communiqué, and to ensure effective functioning of the committees under the Board of Directors. The Risk Management Committee's activities will concentrate on early detection of risks that may endanger the company's existence, development, and continuation, and on taking necessary actions regarding the identified risks and managing them.

The Committee is chaired by Independent Board member Galya Frayman Molinas and the other member is Fatih K. Ebiçlioğlu, member of the Board of Directors.

RISK MANAGEMENT AND INTERNAL AUDIT

The Risk Management Committee advises the Board of Directors on early detection and assessment of risks that may affect the company, calculation of their impacts and likelihood, management, and reporting of these risks in accordance with the company's enterprise risk appetite, risk mitigation activities, and accordingly, on the establishment of effective internal control systems.

Set up under the office of the CFO, the Directorate of Finance and Enterprise Risk Management has operational responsibility for risk management. When reporting to the Risk Management Committee, Head of Internal Audit briefs the Audit Committee. Both units are functionally independent from one another.

In this respect, the Risk Management Committee held six pre-scheduled meetings in 2024.

Internal control system and Internal Audit

The company has adopted the "Three Lines of Defense" approach in its internal control systematic. Internal Audit, set up under the office of the CFO, conducts audits to evaluate and improve the effectiveness of internal control and governance processes, and shares the results regularly with the Audit Committee.

The Audit Committee is primarily charged with submitting written reports to the Board of Directors about its evaluations regarding the company's accounting, reporting, and internal control systems, the effectiveness of the independent audit processes, and the accuracy and compliance of the annual and interim financial statements to be publicly disclosed with the accounting principles adopted by the company. The Audit Committee consists of at least two members.

The chair and members of the Committee are selected from among the Independent members of the Board of Directors. The Audit Committee holds at least four meetings a year, convening once every three months at the latest.

Enterprise Risk Management

Having defined aligning the company's risks with corporate goals and strategies as its main framework, the Enterprise Risk and Insurance Management matches strategy and goals with the risks. In the process, global best practices, especially ISO 31000 Risk Management Standard and COSO Enterprise Risk Management Framework, are taken into consideration within the framework of the company's specific hybrid approach. All risks within the risk universe are systematically positioned in the Risk Matrix through the assessment of their impact and probability scores. Additionally, the financial implications that these risks may impose on working capital are analyzed using a quantitative methodology. Risks that have been prioritized are allocated to the appropriate levels within business units and operations. Meanwhile, the most critical risks identified through risk analyses performed by subsidiaries and departments are incorporated into the decision-making processes at the Senior Management level. As part of risk management activities, all employees are encouraged to be risk aware and potentially risky issues are raised by way of the risk suggestion system.

The Enterprise Risk and Insurance Management regularly exchanges information about environmental, social, and governance (ESG) risks with the company's relevant units and is involved in the risk analysis studies conducted. Tools that pay due consideration to the risk appetite of the Board of Directors and Senior Management are developed, whereby new values are created for the company and its stakeholders, opportunities are taken into account as well as risks, and gap analyses are performed. The Enterprise Risk Management process is carried out in all businesses, central

units, and international subsidiaries of the company in an integrated manner with all business processes and within a structure that affects the performance evaluation processes of risk officers.

Management of environmental, social, and governance risks

As sustainability has been placed at the heart of the company's business strategy, it is a crucial task to integrate climate crisis and other ESG risks into the company's overall risk analysis and to execute the related action plans in parallel with the company's Net Zero 2050 strategy and the general sustainability strategy. Along this line, Arçelik A.Ş. Enterprise Risk and Insurance Management and Sustainability departments work together to define, assess, measure, and prioritize ESG risks and opportunities, and to integrate them into the Enterprise Risk Matrix.

Operationally, Chief Sustainability, Quality and Customer Care Officer is the highest-level authority with respect to evaluation and management of ESG risks including climate. The sustainability department is responsible for qualitatively and quantitatively describing all ESG risks including physical and transition risks by way of scenario analyses. Identified risks are reported to the Enterprise Risk and Insurance Management department, which are then presented to the Risk Management Committee. In this framework, ESG risks are integrated in enterprise risk assessment and prioritized.

The company follows up ESG risks and opportunities at the Board of Directors level. The Early Detection of Risk Committee at the Board level, which serves as the highest level authority in the oversight of all risks and opportunities, has assumed responsibility for monitoring Arçelik A.Ş.'s ESG risks and opportunities, including the

climate crisis. The Committee is charged with following up the performance of the implementation and execution of strategic decisions to be taken in relation to ESG risks and opportunities, and relevant action plans.

Additionally, Koç Holding President of Consumer Durables Group, who is also a member of Arçelik A.Ş.'s Board of Directors, is responsible for briefing the Board of Directors about ESG risks and opportunities three times a year.

The company manages climate risk as well as ESG risks and opportunities within the frame of its Climate Change Strategy, and integrates the procedures covered in this strategy in Enterprise Risk Management processes. To this end, in order to define ESG risks, establish their impact on financial performance and digitize the impact, Arçelik A.Ş. carries out its activities within the guidelines of internationally adopted frameworks. Arçelik reports on its sustainability risks and opportunities in accordance with S1 and S2 standards released by the International Sustainability Standards Board established by the International Financial Reporting Standards (IFRS) and with the directives of the Turkish Financial Reporting Standards accepted in Turkey in parallel with the aforementioned standards. Arçelik reports data on these risks to the Carbon Disclosure Project (CDP) as well.

Arçelik A.Ş. develops various parameters for alternative scenarios to observe the potential effects of physical and transition risks of climate change, whose impact can be felt more and more. The company's strategy for combating climate crisis, ESG risks and opportunities, detailed analysis of their impact on the company, and actions plans can be found in its Sustainability Report (🔗 www.arcelikglobal.com/en/sustainability/sustainability-reports/) and the publicly available CDP report (🔗 www.arcelikglobal.com/en/company/reports-presentations/cdp-reports/).

RISK MANAGEMENT AND INTERNAL AUDIT

Risk coordination and supervision

The Directorate of Finance and Enterprise Risk that reports to the office of the CFO provides global risk coordination and supervision for the head office and Group companies.

Functional risk management

The Directors in the Senior Management Team and country managers are responsible for managing the risks of their own organizations and for completion of the actions that mitigate the impact and likelihood of the risk attributed to their organizations as part of risk mitigation for different organizations.

Training

In order to enhance risk culture and awareness throughout the organization, Enterprise Risk Management training is given to directors in the Senior Management organization, country managers working at Group companies, and risk officers working in organizations, and the creation of training materials is guided by insights obtained from the "Enterprise Risk Management Surveys". As of January 2024, the monthly "Enterprise Risk Management - Risk Bulletin" is distributed organization-wide, providing updates on the company's Risk Management activities, as well as current risks and opportunities, while also enhancing employees' risk awareness and encouraging risk-based thinking.

Enterprise Risk Management systems

The Enterprise Risk Management Framework places emphasis on risk scenario analyses that use and simulate variables considered in strategic decision-making processes. These analyses allow for an active participation in decision-making mechanisms through the calculation of the financial impacts of risks and opportunities.

The Enterprise Risk Management Framework is intended to:

- define uncertainties in strategic decision-making processes more effectively;
- demonstrate end-to-end impact of risks throughout the company's value chain in a holistic manner;
- ensure that all units impacted by the risk are more effectively engaged in the process; and
- maintain the effectiveness of action plans and optimization of insurance processes with regard to reducing and/or transferring risks.

At the company, risks are defined and prioritized in five main categories: financial, strategic, operational, compliance, and external including environmental risks. Through the risk Inventory, the root causes of risks are revealed and they are evaluated against the company's strategies and objectives, and impact and probability analyses are performed, according to which risk mitigation actions are defined and reviewed. All activities related to risk management and risks are periodically reported to the Risk Management Committee. The evaluations regarding material risks and the important actions taken are followed up by Senior Management.

2024 material risks

The company's current risks are proactively monitored through a consolidated risk inventory compiled from all businesses, business units, and subsidiaries; their potential impacts on the company are assessed, and the Senior Management and Risk Management Committee are regularly informed. In this context, risks are assessed at least twice a year, and stress testing analyses are performed for prominent financial and non-financial risks.

In this context, among financial risks, exchange rate risk, liquidity risk, and interest rate risk are considered material, whereas within the scope of non-financial risks, natural disasters – particularly earthquake risk – and cyber risks stand out. Increasing threats on a global scale include, but are not limited to, geopolitical risks, cyberattacks and information security risks, environmental risks, supply chain resilience, potential loss of reputation/brand damage, the risk of inability to keep pace with innovation, and challenges in accessing raw materials and resources. Sustainability-related risks and opportunities are also thoroughly assessed. Evaluations regarding the definitions and qualifications of the identified risks will be presented in the Arçelik 2024 Integrated Report.

Due to the recent escalation in wars and political tensions across all geographies, country risk reports have been published to monitor our country-specific risks; the spillover of these conflicts to the cyber world has resulted in cyberattacks at companies with global operations, particularly through more targeted ransomware, and phishing attacks by some hacker groups. To mitigate this risk, our security systems are regularly tested with respect to their strength, strategic cybersecurity partnerships have been developed, awareness training on information security is organized for users, and we ensure users' security information is always up to date.

The company has posted its Enterprise Risk Management Framework and sensitivity analysis of prioritized financial and non-financial risks on the Arçelik Global Investor Relations page; see also the link below: www.arcelikglobal.com/media/7378/enterprise-risk.pdf

Risk management and business continuity

Product safety risk

Various tests are conducted at phases including design, material, and component selection to mitigate risks that may arise throughout the product lifecycle prior to market introduction. International product safety standards and Arçelik Product Safety Design Criteria serve as the foundation for product safety. At the onset of the design process, Failure Mode and Effects Analysis (FMEA) studies are performed to identify and mitigate potential failures prior to their occurrence. Subsequently, risk assessments are conducted in compliance with local, national, and international standards and regulations, with identified risks and corrective actions being systematically monitored. Furthermore, alongside standard tests, the safety of the products is verified through specially designed forced failure tests. The Product Safety and Regulations Department conducts regular audits of design, quality, production, and supply processes to ensure compliance with product safety standards. The objective of these approaches is to ensure the continuous development of products and processes.

The Product Safety Risk Committee, established to ensure up-to-date monitoring of product safety risk assessments, convenes biweekly under the leadership of Enterprise Risk and Insurance Management and the Product Safety and Regulations Departments and provides necessary reporting to the Risk Management Committee operating under the Board of Directors and Senior Management. The natural members of the committee include representatives from Enterprise Risk and Insurance Management, Product Safety and Regulations, Law and Compliance, Global After-Sales Services, Global Communications, as well as subject-specific ad-hoc members.

RISK MANAGEMENT AND INTERNAL AUDIT

Cybersecurity risk management

The “Information Security Risk Committee” convenes to establish the company’s risk control strategies and cyber risk profile, aiming to transfer or reduce cyber risks. This committee operates with the participation of our Enterprise Risk and Insurance, Cybersecurity, IT Governance, Risk and Compliance, and R&D teams and convened four times in 2024. During these committee meetings, the necessary action plans aimed at mitigating our Cybersecurity risks were developed. Coverage was obtained against potential financial losses and business interruptions under the cyber risk insurance policy against the residual risks as defined in the controls carried out. Cyber incident simulation was conducted for related business units and Senior Management to make cyber risks more concrete and visible, where possible threats and potential cases that would result therefrom were simulated. In simulation studies conducted together with global brokers and certain suppliers providing cybersecurity services to our company, potential financial losses arising from a possible data leak scenario were analyzed based on historical data simulations. The aim is to raise awareness of these risks and to develop corporate reflexes to mitigate the impact in the event the risk materializes.

The initial phase of the Disaster Recovery Project, launched as a part of the Business Continuity Project to ensure the business continuity of the company’s IT systems during a potential disaster, has been completed. During this phase, Business Impact Analyses were conducted across the company’s central business units and pilot businesses to identify critical IT systems, ascertain the recovery time and recovery point objectives of these systems, and complete functional tests of these applications to establish disaster recovery procedures. Key outcomes of this phase include mapping the topological dependencies of critical systems,

defining disaster recovery methodologies, and prioritizing recovery efforts in the event of a potential disaster. Additionally, a recovery center was established, and dedicated teams were assigned.

Business continuity management

Phase-1 of the Business Continuity Project, implemented in accordance with the ISO 22301 Standard to ensure that the products and services of the Head Office, the pilot plants and subsidiaries can continue at an acceptable level following a possible interruption, has been completed. The project is intended to ensure a fast and effective response to any unexpected business interruption or crisis within the framework of contingencies, crisis management and business recovery management plans, and to secure business continuity in the event of such an occurrence by eliminating the impacts on the company’s facilities, operations, financials, reputation, and stakeholders. Within this scope, we aim to ensure effective and timely use of resources, as well as efficient internal and external stakeholder communication amid the crisis environment.

Eskişehir Plant has been selected as the pilot facility for three different risk scenarios, including the earthquake risk. In this context, potential loss, investment amounts, and the timeline for the plant’s recovery have been determined; suppliers’ turnovers, availability of their alternatives, and financial positions have been examined; and a supplier Risk Matrix has been created on the basis of critical commodity groups. The maturity levels of insurance among our critical suppliers regarding their own risk reduction were assessed through surveys with selected suppliers, and necessary actions were taken as part of contract management. In the case of the Bolu Plant, a strategy for production redundancy was established, identifying alternative production facilities for the critical

product range on both a country and plant level to prepare for potential disasters. As part of the Business Continuity Project, training and drills are conducted with the relevant teams, led by Enterprise Risk Management, focusing on Business Continuity, Emergency Coordination, Operational Risks, and Work Safety.

Insurance Management

Insurance Management is responsible for the assessment and management of actual and potential operational risk exposure. The Insurance Management process basically consists of the identification, measurement, assessment, monitoring, control, mitigation, transfer of operational risks, along with claims handling processes and execution and reporting of these processes. Our company's risks are systematically monitored and analyzed per established guidelines. Subsequent to these studies, all necessary assessments are conducted to ensure that all transferable risks are transferred to both local and international insurance companies.

Since both Enterprise Risk Management and Insurance Management are followed up under the same roof, proactive decision-making process is implemented. The direct engagement of the Insurance Management Team with potential insurance companies ensures that the risks of the company are duly transferred to local and global insurers. The Insurance Management Team designs Insurance Programs globally, including international subsidiaries, and negotiates with reinsurers, insurers, and brokers, thus ensuring the creation of programs that cater to the company's needs. In this context, global Service Level Agreements (SLAs) are made with insurers. Claims in any insurance branch including product liability claims are coordinated single-handedly and centrally for global operations.

There are insurance policies in various branches in order to cover the losses that may arise. Modeling studies are carried out to select the best risk transfer methods that can be applied within the framework of local and international legal rules and to determine the scope of policy coverage that best meets operational risks. The coverage that the company may need in line with changing and developing circumstances is regularly reviewed, thus ensuring more efficient use of the company's resources. As part of operational risk management, commercial contracts to which the company is a party (e.g. sales and agency and purchasing contracts) are reviewed with respect to liability and indemnity conditions, and necessary insurance coverage is obtained. Necessary modeling is performed, which incorporates risk transfer in line with the company's needs regarding contingencies, crisis management, and business recovery management, and processes are managed in cooperation with all relevant units. To minimize operational risks, works are carried out in coordination with all relevant units across the global organization and various training programs are organized in line with needs. In view of the catastrophe risks that have occurred recently, "My Dealer is Insured" and "My Service Center is Insured" insurance projects were introduced, which will support proper continuation of dealer and service center networks within the frame of the company's sustainability vision.

Accounts receivable risks

International accounts receivable risk

Consolidated receivable risks arising from the direct exports of Arçelik A.Ş. and the local sales and/or exports of the Group companies are managed by International Receivable Risk Management. Global Risk Management Policies have been established for the management and standardization of consolidated receivable risks, and all

RISK MANAGEMENT AND INTERNAL AUDIT

companies act within the framework of these policies. The needs and risks in parallel with the widespread growth in a broad geography are identified, and agreements are made with conditions that will cater to all circumstances in order to prevent possible damages, and these risks are transferred to Global Credit Insurance Agencies. In addition to global and local credit insurance policies, other guarantee instruments such as letters of credit, letters of guarantee, etc. are also used, and the counterparty bank risks of these guarantees are managed under Global Risk Management Policies. Within the framework of the Global Risk Management Policies established, monthly consolidated receivable risks are reported to the committees consisting of the company's Senior Management members, and the risks followed up according to the framework of the determined methodology are assessed and approved by the relevant committees. To help with the comprehensive analysis of receivable risks, risk scores are calculated on a customer basis and the whole process can be monitored in a consolidated manner in the ERP environment. The receivable risks of newly acquired companies are analyzed in detail and necessary arrangements are made to bring them into alignment with Global Risk Management Policies.

Accounts receivable risk in Turkey

The Risk Management Team monitors the risk and collateral processes of Arçelik Pazarlama A.Ş.'s dealers and alternative sales channel customers across Turkey. This team establishes the key principles and procedures for the effective management of the risks that may arise from customer master data, collateral, and open account limits, and ensures compliance with these rules.

The information and documents required for the customer master data are thoroughly provided and consistently updated at regular intervals.

Collaterals are obtained in a legally compliant way, liquid collateral is increased, and the balance between collateral and risk is maintained. The collateral portfolio includes diverse instruments such as mortgages, bank letters of guarantee, direct debiting systems (DDS), share pledges, and receivables insurance.

Open account limits are subject to a structured approval process and are managed through the system in line with established procedures. The Turkey Receivables Risk Committee, established for this purpose, meets quarterly to ensure effective and controlled risk management practices.

As of 2024, special risk reports are being developed to track delays in collections or reductions in collateral stemming from sales activities in Turkey on a customer basis. These reports deliver monthly insights to sales teams, highlighting customers with increased open account limits or collection delays. The recommendation report was deployed in 2024 and shared with sales teams, supporting the strategic shift toward more cost-effective liquid collateral solutions.

Financial risks

Financial risks, which are addressed in three categories, namely liquidity risk, interest rate risk, and exchange rate risk, are managed according to the following principles.

Liquidity risk

Liquidity management at Arçelik A.Ş. is centrally managed based on the alignment of the balance sheet and cash flow to individual subsidiary and consolidated bases. Short-term liquidity is managed by matching receivables with debt maturities and ensuring effective stock management. A calculated cash level is maintained to hedge the balance

sheet against potential risks. Besides the dealings subsidiaries maintain with local banks, companies with surplus cash derive interest income on deposits whereas companies in need of short-term liquidity fulfil their financing needs thanks to the cash pool outside Turkey model created by Arçelik A.Ş. In addition, various other instruments are used when needed, such as receivables discounts, supplier finance, letters of credit discounting, corporate credit cards etc. For medium- and long-term liquidity, market and sector dynamics are taken into account and the average debt is kept above a certain maturity through different financial resources.

In 2024, the strategic focus remained on securing long-term, cost-effective financing sources and ensuring access to TRY-denominated resources. For the first time, a bank syndicated loan, previously absent from Arçelik A.Ş.'s consolidated portfolio, was added to Beko B.V.'s portfolio. This enabled Arçelik A.Ş. to access TRY-denominated loans in Turkey, effectively incorporating cost-efficient TRY-denominated funding into the portfolio. Additionally, investment loans were utilized for the first time.

Prior to the merger between Beko Europe B.V. and WHP, the successful execution of the merger was facilitated by securing credit facilities, supplier financing, and derivative transaction limits from global banking partners.

Interest rate risk

Potential fluctuations in interest rates pose a significant risk in terms of financial results due to interest-sensitive assets and liabilities on the company's balance sheet. This risk is managed by establishing a balance of fixed interest vs. variable items on the balance sheet, balancing the amounts and maturities of interest-sensitive items, using on-balance sheet methods, or by using derivative financial instruments when necessary.

In this context, emphasis is placed on the alignment of not only the maturities of receivables and payables but also the interest rate change periods.

Exchange rate risk

Arçelik A.Ş. is exposed to a significant exchange rate risk as it carries out its production and sales activities in different currencies in many countries. Currency risk is managed centrally. The foreign currency positions carried by Arçelik A.Ş., which constitutes the substantial portion of the total currency risk, and those of subsidiaries are managed separately. Forecasts of future foreign currency positions are collected from each company on a monthly basis, and the expected risk on the balance sheet is minimized by the Central Treasury Management by using on-balance sheet methods and derivative instruments in accordance with the Risk Management Policy. The process of monitoring and managing foreign exchange positions is regularly reviewed by Internal Audit mechanisms. Foreign exchange risk management strategies are assessed in collaboration with the Financial Risk Committee, and necessary actions are taken based on the decisions made. For foreign exchange risks in countries where hedging options are unavailable, foreign exchange risk stress tests are conducted based on potential market scenarios, and their impact on the company is thoroughly evaluated.

Additionally, in-group trading relationships are encouraged, which will enable the creation of a natural hedging structure. This way, it is striven to minimize the size of the foreign currency position exposed to exchange rate risk.

CORPORATE GOVERNANCE PRINCIPLES

Adherence to, and enforcement of, the “Corporate Governance Principles” issued by the Capital Markets Board of Turkey (CMB) bear importance for the credibility and financing opportunities of publicly traded companies in particular. Being one of Turkey’s valuable publicly held companies, Arçelik A.Ş. recognizes its responsibilities towards its stakeholders. In this framework, the company embraces these principles, and endeavors in every way to comply with the Capital Market Law (CML), and the ancillary regulations and decisions of the CMB. While the company achieved full compliance with the compulsory principles stipulated in the Corporate Governance Communiqué no. II-17.1 in force in 2023, compliance was also achieved with most of the non-compulsory principles. Although we hope to achieve full compliance with the non-compulsory Corporate Governance Principles, this has not yet been achieved due to various reasons such as the difficulties in implementation of some of the principles, ongoing discussions regarding compliance with some principles both in our country and on international platforms, and incompatibility of some principles with the current structure of the market and the company. Work is ongoing regarding the principles that have not yet been put into practice, and their implementation will be considered upon reviewing the administrative, legal and technical infrastructure work in a manner that will contribute to effective management of our company.

During 2024, activities related to Corporate Governance were carried out in accordance with the Capital Market Law entailing CMB’s requirements associated with corporate governance principles and with the communiqués based on the said Law. During the reporting period, the company’s website and annual report were reviewed and revised as necessary for total alignment with the principles. Accordingly, the matters complied with in relation to the principles within the Sustainability Principles Compliance Framework imposed upon the amendment made to the CMB Corporate Governance Communiqué were explained in detail in the annual report, whereas considerations regarding principles not yet fully complied with were addressed in the Statement of Compliance

with Sustainability Principles. During the reporting period, the activities of the Committee members carried out by the Board of Directors were assessed; during the year-end performance assessment, the attainment level of targets for realization of the company strategies was also measured as well as financial and operational indicators, which were then used as input for the performance and reward system. General assembly information such as privileged shares, voting rights, organizational changes, résumés of Board of Directors nominees, the remuneration policy for the Board of Directors and senior executives and other information that must be disclosed pursuant to the Principles were made available for the information of our investors three weeks in advance of the latest Ordinary General Assembly convened on 4 April 2024 in the general assembly information document prepared.

Comprehensive activities carried out at the company within the frame of corporate governance principles are described below and the principles with which full compliance has yet to be achieved and resulting conflicts of interest, if applicable, are disclosed in the related sections. The corporate governance rating of 9.69 on a scale of 10 assigned to the company by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA) has been disclosed in our public disclosure* dated 5 July 2024.

The report drawn up by SAHA in relation to the Corporate Governance Rating can be found on the company’s website at www.arcelikglobal.com. The company has been included in the BIST Corporate Governance Index since 31 July 2009.

Corporate Governance Principles Not Yet Implemented

Arçelik believes in the importance of full alignment with the Corporate Governance Principles. However, due to various reasons such as potential challenges in implementation, the presence of discussions regarding compliance both in our country and on the international platform, and incompatibility of principles with the market and the company’s existing structure, full compliance is not

* <https://www.kap.org.tr/Bildirim/1307015>

yet achieved with some voluntary corporate governance principles. The major non-compulsory principles under the Regulation that our company has not yet achieved full compliance with are stated below. Relevant additional explanations are also provided in the related sections of the Annual Report. Our company was not exposed to any conflicts of interest by reason of not achieving full compliance with non-compulsory principles.

- Regarding principle no. 1.3.10: a dedicated agenda item is included in the General Assembly Meeting agenda for the donations made, and the General Assembly Information Document provides the details of the donations with the highest amounts. The balance not detailed in the Information Document consists of various donations (each below TRY 1,000,000) to various institutions and organizations, which do not constitute material information for the investors. It is intended to make future disclosures in line with the materiality limit to be defined according to the then-prevailing conditions.
- Regarding principle no. 1.5.2: the Articles of Association do not grant minority rights to those who hold less than one twentieth of the capital, and rights are granted to the minority within the general legislative framework in parallel with the common practices. No changes are foreseen in this respect in the near future.
- Regarding principle no. 4.4.7: given the significant contribution of the board members' work experience and sectoral expertise to the Board of Directors, there are no limitations on the board members assuming additional duties outside the Company. Our annual report includes the resumes of our board members. Considering the effective performance of the board of directors, no changes are anticipated in the short term in the current practice, which is regarded as not posing any adverse implications in terms of corporate governance.
- Regarding principle no. 4.5.5: the knowledge and experiences of the members of our Board of Directors are taken into consideration when appointing members

to the committees in line with the relevant regulations. Only one of the independent Board Members is assigned to two committees. Members who assume duties in more than one committee enable communication among the committees that carry out activities in interconnected subjects and increase the opportunity of collaboration. In view of the productive activities that are contributed to by the knowledge and experiences of Board Members, the existing committee organizations are deemed effective, and no need for changes is envisaged in the near future.

- Regarding principle no. 4.6.5: remuneration of the Members of the Board of Directors and managers who have administrative responsibilities is disclosed collectively in parallel with the common practice in the footnotes of our financial statements and at the Ordinary General Assembly meetings. Market practices are closely monitored with respect to this topic that is deemed important in terms of privacy of personal data, and it is planned to act in parallel with the common practice.

The Company is not exposed to any conflict of interest due to failure to fully comply with non-mandatory principles.

The 2024 Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF), which have been drawn up pursuant to the CMB decision no. 2/49 dated 10 January 2019 and which have been approved by the company's Board of Directors, are presented in the further sections on this report, and the related documents are also accessible on our company's corporate governance page on the Public Disclosure Platform (KAP) (📄 <https://www.kap.org.tr/tr/cgif/4028e4a240e95dc90140ed55b43900cf>).

A corporate governance action plan is prepared for the improvement areas in corporate governance practices as established in Arçelik Corporate Governance Rating Report issued by SAHA, and efforts for achieving full compliance with corporate governance principles are in progress.

EXPLANATIONS REGARDING CORPORATE GOVERNANCE

Shareholders

The duties of the Investor Relations Unit that establishes the communication between the company and investors are carried out by Mine Şule Yazgan, Executive Director of Finance and Enterprise Risk; Sezer Ercan, Senior Investor Relations Lead, and Delal Alver, Senior Capital Markets Compliance Lead, under the management of Barış Alparslan, Chief Financial Officer.

Individuals in charge of Investor Relations:

Name/Surname	Position	Type of License	License Doc. No.	E-mail
Barış Alparslan	Chief Financial Officer / Member of Corporate Governance Committee	Capital Market Activities Level 3 License	202914	baris.alparslan@arcelik.com
Mine Şule Yazgan	Executive Director, Finance and Enterprise Risk	-	-	minesule.yazgan@arcelik.com
Delal Alver	Senior Lead, Investor Relations & Capital Markets Compliance			delal.alver@arcelik.com
Sezer Ercan	Senior Lead, Investor Relations	Capital Market Activities Level 3 License, Derivatives License, Corporate Governance Rating License, Credit Rating License	213631, 309533, 703306, 603844	sezer.ercan@arcelik.com
E-mail:	investorrelations@arcelik.com yatirimciliskileri@arcelik.com			

The report prepared on 2024 activities of the Investor Relations Unit was approved by the Corporate Governance Committee on 28 February 2025 and submitted to the Board of Directors.

The applicable legislation, the company's Articles of Association and other internal guidelines are observed in the exercise of shareholding rights, steps are taken to make sure that these rights are exercised, and all shareholders are treated equally. The main goal of the company is to ensure that shareholders' right to information is fulfilled fairly and completely. In addition, the company satisfies shareholders' rights arising from shareholding fully and as soon as possible.

The company does not discriminate among shareholders with respect to exercise of the right to obtain and review information. Each shareholder has the right to obtain and review information.

For broadening shareholders' right to obtain information and for due exercising of their rights, necessary information and documents, as well as financial statements, are kept up-to-date and made available to shareholders in both Turkish and English languages electronically on the company's corporate website (www.arcelikglobal.com). Written or verbal queries received from shareholders during the reporting period were responded to either verbally or in writing without any discrimination among shareholders within the scope of the Capital Markets legislation.

While the company's Articles of Association do not stipulate the right to demand appointment of a special auditor as an individual right, pursuant to Article 438 of the Turkish Commercial Code, any shareholder can demand from the general assembly that specific events be clarified through a special audit to the extent necessary for exercising shareholding rights and provided that the right to obtain or review information was exercised priorly. To date, no such request from shareholders was received. Furthermore, the company's annual consolidated financial statements are audited by Güney Bağımsız Denetim ve Serbest Muhasebeci ve Mali Müşavirlik A.Ş., the independent auditor designated at the General Assembly.

Voting Rights and Minority Rights

The procedure for voting at the General Assembly Meetings is announced to shareholders at the start of the meeting. The company refrains from practices that will complicate voting rights and all shareholders, including those in foreign countries, are provided with the opportunity to cast

their votes physically or electronically in the simplest and most appropriate way.

The Articles of Association do not contain any privileges concerning the exercise of voting rights at the company. Each share is entitled to one vote. There are no legal entity shareholders which are the company's subsidiaries. The Articles of Association do not incorporate a provision preventing non-shareholders from voting in proxy.

With their attendance to the General Assembly, shareholders representing minority rights make up the Management collectively with majority shareholders. The company did not receive any criticisms or complaints on this matter in 2024. The Articles of Association do not contain any provisions stipulating that minority rights are less than one twentieth of the capital.

The company is controlled by its principal shareholder Koç Holding A.Ş., the Koç Family and companies owned thereby.

Share Transfer

The Articles of Association do not contain specific provisions that complicate or restrict share transfer by shareholders. The requirements of the CMB are adhered to with respect to transfer of registered shares traded on the stock exchange.

Stakeholders

The term company stakeholders is basically used to refer to third persons that have a direct relationship with the company. Stakeholders are informed about matters that concern them by being invited to meetings when necessary or by the use of telecommunication tools. Believing that maintaining a cooperation with the stakeholders will inure to the benefit of the company in the long run, the company

EXPLANATIONS REGARDING CORPORATE GOVERNANCE

respects and preserves stakeholders' rights derived from the legislation, mutual covenants and contracts. The company's corporate governance structure allows all stakeholders including employees and representatives to convey their concerns regarding illegal and/or unethical deeds to the management. The duties of the Audit Committee include looking into complaints received by the company. Furthermore, the Internal Audit management also reviews complaints and conveys them to the Audit Committee.

The Audit Committee determines the methods and criteria applicable to the review and resolution of the complaints received regarding the company's accounting and internal control system and independent audit, and to tackling the issues regarding the company's accounting and independent audit reported by the company's employees within the frame of confidentiality principles.

Arçelik A.Ş. Human Resources Policies that are aligned with the company's strategies and set out in the light of the company's shared values and code of conduct have been documented and shared with the employees in Turkey and foreign subsidiaries. The Chief People Officer is charged with determining and managing the main principles of the company's HR policy, and maintaining relationships with employees. In addition, the office of the Chief People Officer is responsible for the implementation of human rights principles that are stipulated, periodically reviewed and revised as necessary by the Legal and Compliance Directorate.

All HR practices are built on fairness, consistency and integrity. Accordingly, job descriptions, the criteria for remuneration, performance and rewarding systems

of company employees are announced to employees according to the predetermined schedule, thus making sure that they are equally available to all employees. In line with organizational competence requirements of Arçelik A.Ş., training programs in adequate versatility to address the development needs of all hourly- and monthly-paid employees are developed, and offered to employees starting with the day they come on board. Within the scope of the training process that starts with orientation, functional competencies are strengthened through academies and technical training, whereas social skills are reinforced and supported through competence programs. Solutions delivered through online learning platforms are gradually expanded across the global organization. Employees' career planning is made in line with their knowledge, skills and competencies. In annual HR planning meetings, critical positions and talents and competencies that will carry the company into the future are defined, performances of potential employees are monitored and they are supported with their development, thus readying them for their potential future roles. Succession planning is made for all management positions, and potential employees are placed accordingly. Hence, individuals who are likely to be assigned to management positions are trained, while also avoiding any situations that may hinder the company's administration in the event of possible changes in management.

The company's approach to learning and development is to work in line with the continuous development principle in alignment with the company's vision and business goals, and help improve the company's performance. The company's internal resources are targeted to be utilized effectively and efficiently when planning employees' current and future development needs in line

with business requirements. Employee development is supported with annually revised content in parallel with the company's learning and development policy.

Global Code of Conduct and associated policies that are based on the Corporate Governance Principles are intended to provide guidance to company employees and those representing the company with regard to the decisions they will make and behaviors they will display in the performance of their duties.

The company's approach to sustainability is being mindful of social, economic, environmental and ethical implications of its activities, integrating and monitoring these implications in its corporate business goals, and managing its activities based on sustainability principles within the frame of corporate policies and strategies devised. The company considers sustainability risks and opportunities and the expectations of internal and external stakeholders as important inputs for its activities.

Pursuant to Arçelik A.Ş. Board of Directors decision no. 1047 dated 29 December 2020, Koç Holding President of Consumer Durables Group, who is also a member of Arçelik's Board of Directors, has been appointed as the Board Member responsible for supervising the company's cyber security strategy in view of his experience in this field, and is actively involved in the Information Security Committee. As per Arçelik A.Ş. Board of Directors decision no. 1098, it has been decided to set up a dedicated Human Rights Unit in line with the company's global strategies. The President of the Consumer Durables Group, also a member of Arçelik's Board of Directors, is assigned with reporting Arçelik Global's human rights strategies to the Board of Directors.

The company's sustainability efforts are included in the relevant sections of the Annual Report, the 2023 Sustainability Report, and the results achieved in 2024 are included in the 2024 Integrated Report.

The Company's Annual Reports, Sustainability Reports and Integrated reports are available at: ⓘ <https://www.arcelikglobal.com/en/company/reports-presentations/>.

Board of Directors

Members of the Board of Directors are designated in a manner to allow them to work productively and constructively, make fast and rational decisions, and organize committees' activities effectively. Compliance with Arçelik's Board Diversity Policy is observed when designating the Board of Directors Members. In this context, the goal of ensuring diversity in age, gender, race, nationality, and ethnicity among candidates during the nomination process for the Board of Directors, along with the principle of achieving a minimum of 25% female representation on the Arçelik Board of Directors within 5 years, was accomplished in 2024.

Prior to the General Assembly, outside positions held by the members are also made available for shareholders' information, along with their résumés. The Annual Report contains the résumés of the Board of Directors Members, CEO and Deputy Chief Executives.

EXPLANATIONS REGARDING CORPORATE GOVERNANCE

Members of the Board of Directors

Name/Surname	Position	Independent/ Non-independent	Date of Election	Term of Office	Role on the Board of Directors and Committees	Outside Positions Held
Mustafa Rahmi Koç	Chair	Non-independent Member	4/4/2024	1 year	Chair of the Board Chair of Executive Committee	Board Member at Group and non-Group companies
Mehmet Ömer Koç	Vice Chair	Non-independent Member	4/4/2024	1 year	Vice Chair of the Board Member of Executive Committee	Board Member at Group companies
Semahat Sevim Arsel	Member	Non-independent Member	4/4/2024	1 year	Board Member Member of Executive Committee	Board Member at Group companies
Yıldırım Ali Koç	Member	Non-independent Member	4/4/2024	1 year	Board Member Member of Executive Committee	Board Member at Group companies
Levent Çakıroğlu	Member	Non-independent Member	4/4/2024	1 year	Board Member Member of Corporate Governance Committee	Board Member at Group companies
Robert Sonman	Member	Non-independent Member	4/4/2024	1 year	Board Member	Board Member at non-Group companies
Fatih Kemal Ebiçlioğlu	Member	Non-independent Member	4/4/2024	1 year	Board Member Member of Risk Management Committee	Board Member at Group companies
Hakan Bulgurlu	Member CEO	Non-independent Member	4/4/2024	1 year	Board Member	Board Member at Group companies

Name/Surname	Position	Independent/ Non- independent	Date of Election	Term of Office	Role on the Board of Directors and Committees	Outside Positions Held
Ayşe Canan Ediboğlu	Member	Independent Member	4/4/2024	1 year	Board Member Member of Audit Committee	Board Member at Group and non- Group companies
Galya F. Molinas	Member	Independent Member	4/4/2024	1 year	Board Member Head of Risk Management Committee	Board Member at non-Group companies
Ahmet Turul	Member	Independent Member	4/4/2024	1 year	Board Member Head of Corporate Governance Committee Head of Audit Committee	Board Member at non-Group companies
Tuğrul Fadıllıoğlu	Member	Independent Member	4/4/2024	1 year	Board Member	Board Member at non-Group companies

Following the General Assembly meeting dated 4 April 2024 during which Board Members were elected, the Chair and Deputy Chair of the Board were designated by passing a decision on the distribution of duties.

The positions of the Chair of the Board and CEO are held by different individuals.

Care is taken that Board members allocate the necessary time for the company affairs, and there are no restrictions regarding assumption of outside position(s). No such

restriction is deemed necessary given the significant contribution, particularly, of independent Members' business and sectoral experiences to the Board of Directors. Our Board of Directors Members are experienced individuals who have had many years of professional lives. The company makes the most of the knowledge and experiences of Board Members. Board Members can freely convey and express their opinions free from any influence. The number and qualifications of independent Members on the Board of Directors are determined according to the CMB's Corporate Governance Principles requirements.

EXPLANATIONS REGARDING CORPORATE GOVERNANCE

Four independent Board Member nominees were presented for 2024 to the Corporate Governance Committee; these individuals' statements for candidacy and résumés were evaluated at the meetings of the Corporate Governance Committee held on 5 January 2023 and the Board of Directors held on 6 January 2023; accordingly, it has been decided to designate all as independent member nominees. All independent Board member nominees have submitted their statements of independence to the Corporate Governance Committee and no situations arose that prejudiced independence as of 2023 activity period.

Operating principles of the Board of Directors are listed in Articles 10, 11 and 12 of the Articles of Association. In brief, the Board of Directors is authorized to decide on all matters, save for those that must be exclusively decided by the General Assembly pursuant to the provisions of the Turkish Commercial Code and the company's Articles of Association.

Operating Principles and Procedures of the Board of Directors

Under ordinary circumstances, the Board of Directors meets at least three or four times a year to make strategic evaluations about the company's activities and discuss the developments that take place in between the two meetings.

During 2024, the Board of Directors took decisions in 11 meetings with an average attendance of 93%. Except for the decisions taken at the said meeting, all of the other decisions were taken by the circulating method. In the meetings, sufficient and transparent information was received about Arçelik's strategy and activities, thus allowing strategic assessments; furthermore, the Board Members were regularly kept informed of the company's

performance and developments. Absolute majority of the full membership is defined as meeting and decision quorums. Throughout the year, the Board of Directors passed 30 Board of Directors decisions. Independent Board Members agreed with all the decisions passed. 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 Board of Directors meeting held in 2024, no such public disclosures were made or the statutory auditors were informed.

The agendas of Board of Directors meetings are determined by the notification of the matters that are stipulated to be decided by the Board of Directors under the applicable legislation by relevant units to the company's Senior Management and Board of Directors Members. In addition, any Board Member can propose a meeting agenda item by referring a material matter that needs to be decided upon to the company's senior management. The minimum Board meeting attendance ratio in one year for each Member has been set as 50%. The matters desired to be discussed by the company's Board of Directors are compiled by the office of the Chief Financial Officer, which are then consolidated in the agenda.

The Board of Directors meetings are held at the company's headquarters or at another suitable location in the city where the company is headquartered. Material Board of Directors decisions are publicly disclosed on the KAP (Public Disclosure Platform) and these material event disclosures are posted on the website in Turkish and English languages.

Arçelik Board of Directors governs and represents the company by first and foremost looking out for the company's long-term interests, based on a rational and cautious risk management understanding and by maintaining the company's risk exposure, growth and return balance at the optimum level. Furthermore, besides achieving regulatory compliance in related party transactions, the Board of Directors considers possible fraudulent risks and addresses related party transactions painstakingly.

The company has affiliates and subsidiaries. Considering that involvement of the company's Board of Directors Members in the managements of these companies will be to the benefit of the company, no restrictions were imposed with respect to assumption of these outside positions.

The General Assembly convened on 4 April 2024 authorized the Board of Directors Members to be engaged in business affairs falling under the company's scope on their own or others' behalf and to acquire shareholding interest in companies engaged in such businesses under Articles 395 and 396 of the Turkish Commercial Code.

Number, Composition and Independence of the Committees Set up under the Board of Directors

According to the Articles of Association, the Board of Directors may form consultation, coordination, audit or similar committees or sub-committees composed of its Members and/or non-Members in relation to matters it deems appropriate, provided that the provisions of applicable legislation are complied with.

In the election of the members of the committees formed following the Ordinary General Meeting convened on 4 April 2024, the provisions of Article 4.5 of the CMB's Corporate Governance Principles have been followed.

The existing committees at the company are as follows:

- i) Executive Committee
- ii) Audit Committee
- iii) Corporate Governance Committee
- iv) Risk Management Committee

The Board of Directors determines, sets out and modifies the meeting, operating and reporting principles of the heads and members of the committees.

During 2024, all committees under the Board of Directors fulfilled their respective duties and responsibilities within the scope of Corporate Governance Principles and their respective operating principles and met in accordance with their working schedules. The opinions of company executives and independent auditor were sought when needed during the committees' activities. Reports covering information about committees' activities and the outcomes from meetings held during the year were submitted to the Board of Directors.

The Board of Directors is of the opinion that the expected benefits have been derived from the activities of the committees under the Board.

EXPLANATIONS REGARDING CORPORATE GOVERNANCE

i) Duties, Responsibilities and Operating Principles of the Executive Committee

The Executive Committee has been set up to make suggestions and recommendations to the Board of Directors to improve the efficiency of the Board of Directors, and to guarantee effectiveness in investments and business development in areas aligned with strategic goals by ensuring an active coordination between the Board of Directors and the administrative structure. The purpose of this Committee is to monitor more closely the company and the developments in the relevant sector to inform the Board of Directors when necessary, by reason of the inability of the Board of Directors to meet at the desired frequency and timing; to provide the coordination between the company's administrative structure and the Board of Directors; to devise appropriate strategies for the company; and to make suggestions for the efficiency of operations. On 5 April 2024, the Board of Directors appointed the Board Chair Mustafa Rahmi Koç as the Chair of the Executive Committee, and Board of Directors Members Semahat Sevim Arsel, Mehmet Ömer Koç, Yıldırım Ali Koç, Caroline N. Koç and Aykut Ümit Taftalı as its Members.

The Committee met 12 times during 2024.

The Board of Directors committees did not need to seek independent expert opinions for their activities in 2024.

Detailed information about the Duties, Responsibilities and Operating Principles of the Executive Committee can be found on the company website at www.arcelikglobal.com.

ii) Duties, Responsibilities and Operating Principles of the Audit Committee

The Audit Committee has been set up at the company to ensure that the Board of Directors duly fulfils its duties and responsibilities. The Audit Committee carries out its activities in a structured manner as stipulated in the Capital Market legislation and CMB's Corporate Governance Principles. All members of the Audit Committee have been elected from amongst independent Board members. This Committee is composed of two members and Ahmet Turul and Ayşe Canan Ediboğlu have been appointed as the Committee's head and member, respectively. Established for supervising the operation of the accounting and reporting systems at the company within the frame of applicable laws and regulations, public disclosure of financial data, operation and effectiveness of independent audit and internal control system, the Audit Committee held four meetings during 2024.

Detailed information about the Duties, Responsibilities and Operating Principles of the Audit Committee can be found on the company website at www.arcelikglobal.com.

iii) Duties, Responsibilities and Operating Principles of the Corporate Governance Committee

Corporate Governance Committee has been set up at the company to monitor the company's compliance, to make suggestions to the Board of Directors in accordance with the Corporate Governance Principles released by the CMB. The Corporate Governance Committee also functions as the Nomination Committee and Remuneration Committee. On 4 April 2024, Independent Board member Ahmet Turul

was appointed as the head of the Corporate Governance Committee, and Board member Levent Çakıroğlu and head of Investor Relations Unit Barış Alparslan were appointed as its members. The Committee meets at the frequency required by the duties imposed on it; accordingly, the Committee held six meetings in 2024.

In 2024, the Corporate Governance Committee reviewed the company's corporate governance practices and Corporate Governance Principles Compliance Report, and briefed the Board of Directors on the activities of the Investor Relations Unit. In addition, functioning also as the Nomination Committee and the Remuneration Committee, the Corporate Governance Committee carried out work regarding the effectiveness of the activities of the Board of Directors, designation of independent Board Member nominees, and benefits provided to the Board Members and senior executives.

Detailed information about the Duties, Responsibilities and Operating Principles of the Corporate Governance Committee can be found on the company website at www.arcelikglobal.com.

iv) Duties, Responsibilities and Operating Principles of the Risk Management Committee

The Risk Management Committee has been set up to make suggestions and recommendations to the Board of Directors regarding early detection and assessment of financial, strategic, operational, compliance and all kinds of external risks that may affect the company, calculation of their impact and likelihood, their management in accordance with the company's enterprise risk appetite, regular reporting and consideration of risks in

decision-making mechanisms, and establishment and integration of effective internal control systems in this direction. Independent Board member Galya F. Molinas has been elected as the head of the Risk Management Committee and Board Member Fatih Kemal Ebiçlioğlu has been appointed as the Committee Member. The Risk Management Committee held six meetings in 2024.

Information about the Duties, Responsibilities and Operating Principles of the Risk Committee can be found on the company website at www.arcelikglobal.com.

The Executive Board Member did not take part in the above mentioned committees.

Risk Management and Internal Control Mechanism

The Board of Directors has established the risk management and internal control systems to detect the risks that may affect the company's stakeholders and particularly shareholders, and to minimize their impacts and likelihood; the Board reviews the effectiveness of these systems.

The Enterprise Risk and Insurance Management Directorate, set up under the office of the Chief Financial Officer, provides the management, coordination and oversight of financial, strategic, operational, compliance and external risks that may affect the company via the risk management system it has established, and reports to the Risk Management Committee. For proper operation of the internal control mechanism, the Internal Audit Directorate set up under the office of the Chief Financial Officer briefs the Audit Committee in meetings held during the year.

EXPLANATIONS REGARDING CORPORATE GOVERNANCE

The Committee continuously oversees the operation and effectiveness of the system, and communicates the issues related to risk management and internal control mechanism and suggested solutions to the Board of Directors, when necessary.

Financial Rights

During the year-end performance assessment, the attainment level of targets for realization of the company's strategies is also measured as well as financial and operational indicators, which are then used as input for the performance and reward system.

The Remuneration Policy for the Board of Directors Members and Senior Executives, which incorporates all kinds of rights, interests and compensation provided to the Board members and senior executives and the criteria used for their determination along with remuneration principles, was first made available for review by our shareholders on our website via the "Information Document" released three weeks in advance of our Ordinary General Assembly convened on 29 March 2012 and was enforced following the said General Assembly. Covered also in the agenda of the Ordinary General Assembly during which 2023 activities were discussed and publicly disclosed via the company's website, the said policy will also be included in the agenda of the Ordinary General Assembly during which 2024 activities will be discussed and will be laid down for the opinions of shareholders. The sum of the payments made within the frame of the Remuneration Policy for the Board of Directors Members and Senior Executives is evaluated each year by the Corporate Governance Committee and the Board of Directors. Compensations of Arçelik Board of Directors Members and Senior Executives have been publicly disclosed collectively in footnote

no. 34 of our financial statements for the 2024 fiscal year in parallel with the general practice. There are no transactions that may lead to conflicts of interest such as the company's lending money or extending credit to our Board of Directors Members or Executives or creating guarantee in their favor.

Stock options or payment plans based on the company's performance are not used in the remuneration of independent Board Members.

The company's Remuneration Policy for the Board of Directors Members and Senior Executives, which incorporates all kinds of rights, interests and compensation provided to the Board Members and Senior Executives and the criteria used for their determination along with remuneration principles, are posted on the company website.

Board of Directors' Assessment Concerning the Effectiveness of the Board of Directors Committees

During 2024, all Board of Directors committees have fulfilled their duties and responsibilities they are required to perform pursuant to the Corporate Governance Principles and their respective bylaws; met in accordance with the annual meeting schedules prepared, and submitted their reports covering information about their activities and the outcomes of the meetings held during the year to the Board of Directors. Committee members participated in all meetings.

The Board of Directors is of the opinion that the expected benefits have been derived from the activities of the committees under the Board of Directors.

SUSTAINABILITY PRINCIPLES COMPLIANCE STATEMENT

Arçelik espouses sustainability as a business model in keeping with its vision spelled out as “Respecting the World, Respected Worldwide”. With this understanding, the company closely monitors best practices in sustainability, including those specified in the Capital Markets Board of Turkey (CMB) Sustainability Principles Compliance Framework, and carries out its activities with the goal of achieving compliance with the generally accepted best practices in this field. Arçelik is already actively dealing with the majority of the principles and good practices stated in the Sustainability Principles Compliance Framework enforced by the CMB, and regularly reviews and evaluates its performance in this field, undertaking improvement activities. Accordingly, Arçelik achieved compliance with all non-mandatory principles in CMB’s Sustainability Principles Compliance Framework with a “comply-or-explain” approach. While full compliance is achieved with the requirements of all principles, betterment efforts are in progress in some improvement areas due to reasons such as the global scale of the operations, ongoing efforts to ensure the full set of actions that will respond to different expectations under the applicable obligations, global uncertainties, the incompatibility of some of the principles with the company’s existing structure, and difficulties in practice. For principles that require improvement, it is intended to regularly review sustainability targets and key performance indicators annually. Improvement processes for relevant principles will be completed following our ongoing work such as reviewing the global best practices and the completion of technical infrastructure and data collection in a manner to contribute to the company’s target to create sustainable value.

Activities associated with the principles mentioned in CMB’s Sustainability Principles Compliance Framework are addressed in the “Arçelik and Sustainability” section of Arçelik’s Annual Report. In addition, detailed information is presented for review by stakeholders in the Sustainability Reports and 2024 Integrated Report posted on Arçelik’s corporate website, and in the sustainability section as well as various other sections on the website. Within the scope of the information disclosed, explanations regarding principles for which improvement will be achieved are as follows:

- Principle B.17 – Heat, steam and cooling energies generated for a given year will be considered as secondary energy types and disclosed in the 2024 Integrated Report upon verification of the consumption amounts of primary energy sources used for obtaining them. Arçelik is improving its existing energy monitoring systems in place for monitoring and reporting these secondary energy types in the coming periods.

Sustainability Principles Compliance Report prepared in accordance with the formats defined by the CMB Resolution dated 23 June 2022, numbered 34/977, and approved by the company’s Board of Directors is appended to the Annual Report (see ⓘ page 440), and related documents can also be accessed on the company’s page on the Public Disclosure Platform (ⓘ <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/863-arcelik-a-s>).

OTHER DISCLOSURES

Information on the Extraordinary General Assembly Meeting Held During the Year

No Extraordinary General Assembly meeting was held during the year.

Changes in the Organization, Capital and Shareholding Structures During the Year

Arçelik's current organizational structure is detailed on [page 267](#) of the annual report. Following the departure of Mr. Özkan Çimen from his position as Assistant General Manager for Finance and Accounting, effective 31 July 2024, the Board of Directors has decided to appoint Mr. Barış Alparslan, who currently serves as Finance Coordinator at Koç Holding A.Ş., as Arçelik A.Ş.'s Assistant General Manager for Finance and Accounting, effective 1 August 2024. Furthermore, Mr. Barış Alparslan has been appointed to the Corporate Governance Committee, filling the vacancy left by Mr. Özkan Çimen's departure.

Information on lawsuits filed against the company and their possible outcomes that may affect the financial status and activities of the company

There are no lawsuits brought against our company that may materially affect the financial situation and activities of our company, including those on account of environmental, social and corporate governance issues.

Information about administrative or judicial sanctions imposed on the company and the members of the governing body due to practices in violation of applicable legislation

There are no administrative or judicial sanctions imposed on the company or the members of the management body due to practices contrary to the provisions of the legislation.

Information on any changes in the legislation that might have significant impacts on the activities of the company

There are no changes in legislation that may materially impact the company's activities.

Information on conflict of interest between the company and providers of services such as investment advisors and rating agencies, and on the measures taken by the company to prevent these conflicts of interest

There have been no issues that might result in a conflict of interest between the company and providers of services such as investment consultancy and rating.

Information on the amendments to the Articles of Association made during the reporting period

No amendments were made to the Articles of Association during the reporting period.

Assessment with respect to Article 376 of the Turkish Commercial Code

It has been assessed whether the company's capital remained uncovered under Article 376 of the Turkish Commercial Code, and it has been concluded that the issued capital of Arçelik A.Ş. in the amount of TRY 675,728,205 remained in existence with the parent's shareholders' equity of TRY 67,170 billion as at 31 December 2024, and that the debt structure of the company, which has a Net Financial Debt/Equity Ratio of 54% is adequate for smooth continuance of operations.

Information on affiliates with a direct stake of above 5% with which there are cross-shareholding relationships

There are no cross-shareholding relationships with any company.

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY ISSUED PURSUANT TO ARTICLE 9 OF THE COMMUNIQUÉ NO. II-14.1 ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS BY THE CAPITAL MARKETS BOARD OF TURKEY (CMB)

FINANCIAL STATEMENTS APPROVED BY THE BOARD OF DIRECTORS' DECISION DATED: 31 January 2025 NUMBERED: 1210

We hereby submit for your information that the consolidated financial statement and the footnotes, the income statement, comprehensive income statement, cash flow statement and statement of changes in equity, which have been drawn up for the fiscal year 1 January 2024–31 December 2024 by our Company in accordance with the Turkish Financial Reporting Standards (TFRS) pursuant to the Capital Markets Board of Turkey (CMB) Communiqué No. II-14.1 on Principles of Financial Reporting in Capital Markets (the Communiqué), the resolution on inflation accounting practices dated 28 December 2024, and with the formats determined by the CMB and independently audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.:

- have been reviewed by us in accordance with CMB regulations,
- to the best of our knowledge available to us within the scope of our duties and responsibilities at the company, they do not contain any material misrepresentations or omissions that might be misleading as of the date of disclosure, and
- to the best of our knowledge available to us within the scope of our duties and responsibilities at the company, the financial statements drawn up pursuant to the Communiqué present a true and fair view of the company's assets, liabilities, financial position, and profit and loss together with for those within the scope of consolidation.

We hereby also represent that we are responsible for the disclosure made.

Sincerely,

Ahmet TURUL
Chair of the Audit Committee,

Ayşe Canan EDİBOĞLU
Member of the Audit Committee,

Barış ALPARSLAN
Chief Financial Officer

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL REPORT

STATEMENT OF RESPONSIBILITY ISSUED PURSUANT TO ARTICLE 9 OF THE COMMUNIQUÉ NO. II-14.1 ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS BY THE CAPITAL MARKETS BOARD OF TURKEY (CMB)

ANNUAL REPORT APPROVED BY THE BOARD OF DIRECTORS' DECISION

DATED: 3 March 2025

NUMBERED: 1213

Presented in attachment is the 2024 annual report, which has been prepared by our Company in accordance with the Turkish Commercial Code and the Capital Markets Board of Turkey (CMB) Communiqué No. II-14.1 on Principles of Financial Reporting in Capital Markets (the Communiqué) and independently audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

We hereby represent for your information that, to the best of our knowledge available to us within the scope of our duties and responsibilities at the company, the Annual Report prepared by our Company, which also contains the Corporate Governance Compliance Report and Corporate Governance Information Form, and explanations as per the CMB's Sustainability Principles Compliance Framework:

- has been reviewed by us in accordance with the CMB's regulations,
- to the best of our knowledge available to us within the scope of our duties and responsibilities at the company, it does not contain any material misrepresentations or omissions that might be misleading as of the date of disclosure, and
- to the best of our knowledge available to us within the scope of our duties and responsibilities at the company, the Annual Report prepared pursuant to the Communiqué presents a true and fair view of the development and performance of the business and the company's financial position including material risks and uncertainties that it is confronted with, together with for those within the scope of consolidation.

We hereby also represent that we are responsible for the disclosures made.

Sincerely,

Ahmet TURUL

Chair of the Audit Committee,

Ayşe Canan EDİBOĞLU

Member of the Audit Committee,

Barış ALPARSLAN

Chief Financial Officer

AFFILIATION REPORT

Affiliated Company Report drawn up pursuant to Article 199 of the Turkish Commercial Code

Pursuant to Article 199 of the Turkish Commercial Code no. 6102 that entered into force on 1 July 2012, Arçelik A.Ş. Board of Directors is obliged to issue a report within the first quarter of an activity year regarding its relations with the company's controlling shareholder and the subsidiaries thereof in the previous activity year, and to publish the conclusion section of the said report in its Annual Report. Necessary explanations about Arçelik A.Ş.'s dealings with related parties are provided in footnote 34 of the financial statements. The report dated 3 March 2025 prepared by Arçelik A.Ş. Board of Directors reads as follows: "It is concluded that in all the dealings Arçelik A.Ş. realized in 2024 with the controlling company, and the companies affiliated thereto, according to situations and conditions known to us at the time the related dealing was carried out or related action was taken or avoided, a commensurate consideration for each dealing has been provided and there were no actions taken or avoided, which may cause the company to suffer losses; accordingly, there is no dealing or action that would require equalization."

Beko

Financial Information

310 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDIT REPORT



ARÇELİK ANONİM ŞİRKETİ FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)
INDEPENDENT AUDITOR'S REPORT



To the Shareholders of Arçelik A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Arçelik A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards ("IAS") which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") and adopted within the framework of Capital Markets Board ("CMB") regulations. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Emphasis of matter

We draw attention to Note 2.1 which explains the reasons and effects of the restatements made to the consolidated statement of financial position as at December 31, 2023 and consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in shareholders' equity cash flows for the year ended December 31, 2023, presented as comparative information in the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

4) Other Matter

The consolidated financial statements of the Group prepared as of December 31, 2023 in accordance with TFRSs issued by POA were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements in their report dated March 1, 2024.

INDEPENDENT AUDITOR'S REPORT

5) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the Key Audit Matter Was Addressed in the Audit
<p>Application of the hyperinflationary accounting</p> <p>As stated in Note 2.1 to the consolidated financial statements, the Group has started to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2024.</p> <p>In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.1.</p> <p>Given the significance of the impact of TAS 29 on thereported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> - We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed, - We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, - We have audited the restatements of corresponding figures as required by TAS 29, - We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.
<p>Revenue from contracts with customers</p> <p>Revenue is recognized at the transaction price in accordance with TFRS 15 "Revenue from Contracts with Customers". The transaction price is the amount that the entity expects to be entitled to in return for transferring the promised goods to the customer, excluding amounts collected on behalf of third parties. A significant portion of the Group's revenue arises from performance obligations that are fulfilled at a specific point in time. The Group generates revenue from the production and sale of consumer durables and consumer products.</p> <p>Revenue is the most important indicator in assessing the Group's performance. Revenue is of significant importance in terms of evaluating the results of the strategies implemented during the year and monitoring performance and has been identified as a key audit matter for our audit as it is the most significant financial statement item for the statement of profit or loss and comprehensive income for the year ended December 31, 2024.</p> <p>Information on the Group's accounting policies related to revenue from customer contracts is disclosed in Note 2.3. and 25.</p>	<p>During our audit, we performed the following audit procedures related to the audit of revenue:</p> <ul style="list-style-type: none"> - Understanding revenue process, - Identifying controls related to sales processes and performing tests on the effectiveness of these controls, - Evaluating the appropriateness of the Group management's accounting policies for revenue recognition in accordance with TFRS, - Applying analytical procedures to determine whether revenue recognized in the financial statements is at expected levels, - Performing tests with sampling method regarding the accuracy of sales invoices and matching these invoices with delivery notes, - Testing the transfer of control over the products in the invoices selected by sampling method to the customers, - Testing the completeness of revenue by matching the selections made by sampling from shipment documents with accounting records and related invoices, - Obtaining confirmation letters from customers for trade receivable balances selected by sampling method and checking the compliance of the responses with the accounting records.

Key Audit Matters	How the Key Audit Matter Was Addressed in the Audit
Business Combination	
<p>In order to contribute to the Group's growth target in Europe, a contribution agreement has been signed between Arçelik A.Ş. and Whirlpool Corporation for the purpose of merging all of the production, sales and marketing subsidiaries of Arçelik A.Ş. and Whirlpool Corporation operating in Europe under a new company, Beko Europe BV, in which Arçelik will have 75% controlling interest and Whirlpool Corporation will have 25% non-controlling interest.</p> <p>The values of identifiable assets and liabilities arising on the accounting for the acquisition and the gain on bargain purchase are significant to the consolidated financial statements. However, in the allocation of the purchase price, the Group Management has made significant estimates and assumptions, such as discount rates and growth rates, using valuation experts. The fair values calculated as a result of these estimates and assumptions had a significant impact on the Group's consolidated statement of financial position. For these reasons, business combination accounting is an important matter for our audit.</p> <p>The Group's accounting policies and related disclosures regarding the accounting for business combinations are disclosed in Notes 2.3 and 3.</p>	<p>During our audit, we performed the following audit procedures related to the accounting for the business combination:</p> <ul style="list-style-type: none"> - Review of the contribution agreement and assessment of the effects on the accounting for the transaction, - Perform of procedures in accordance with the relevant auditing standards regarding the audit of the balance sheet, which is the basis for the allocation of the purchase price for the transaction, - Including our valuation experts, inquiring about the completeness, measurement method and accuracy of the tangible and intangible assets considered during the purchase price allocation study, - Assessment of the appropriateness of key assumptions, such as discount rates and growth rates, used in the Group's valuation of the purchase price allocation, including our valuation experts, - Evaluation of the future plans and explanations used in these studies within the framework of macroeconomic data by conducting interviews with the Group management, - Evaluation of the adequacy of the disclosures in the notes to the consolidated financial statements regarding the business combination.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How the Key Audit Matter Was Addressed in the Audit
<p>Impairment tests of brand and goodwill</p> <p>The carrying value of brands and goodwill which are accounted for under indefinite-life intangible assets amounted to TRY 11.285.864 thousand and TRY 8.546.899 thousand, respectively, in the consolidated financial statements as of 31 December 2024. In accordance with TFRS, these indefinite-life intangible assets should be tested for impairment annually.</p> <p>Brands and goodwill are material to the consolidated financial statements. In addition, significant judgements and estimates are used in the impairment tests performed by management. These are, for goodwill impairment tests; earnings before interest, tax, depreciation and amortization ("EBITDA") growth forecasts, long term growth rates and discount rates and in addition to these, royalty rates used in the relief from royalty method for the brand impairment tests. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, these impairment tests are key matters for our audit.</p> <p>Please refer to notes 2.3, 2.4, 14 and 15 for the relevant disclosures, including the accounting policy and sensitivity analysis of indefinite life intangible assets.</p>	<p>We performed the following auditing procedures in relation to the impairment tests of brands and goodwill:</p> <ul style="list-style-type: none"> - Evaluation of the appropriateness of the cash generating units determined by management, - Evaluation of management forecasts and future plans based on macroeconomic information for each relevant cash generating unit by discussion with Group management, - Assessing whether future cash flows are based on the strategic plan prepared by management, - Through involvement of our valuation specialists, assessing the reasonableness of key assumptions, including long term growth rates, discount rates and royalty rates and benchmarking these against rates used in the durable goods and consumer electronics industries, - Testing of the setup of the discounted cash flow models and their mathematical accuracy, - Assessing management's sensitivity analysis for key assumptions, - Testing of the disclosures in the consolidated financial statements in relation to indefinite-life intangible assets and evaluating the adequacy of these disclosures for TFRS' requirements.

6) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

7) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on January 31, 2025.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2024 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Mehmet Can Altıntaş.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Mehmet Can Altıntaş, SMMM
Partner

January 31, 2025
İstanbul, Türkiye

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ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)
(Convenience translation into english of consolidated financial statements originally issued in Turkish)

		Audited	
	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	5	50,815,825	70,444,978
Trade receivables			
- Due from related parties	34	644,961	831,119
- Trade receivables, third parties	9	92,282,011	95,210,184
Other receivables			
- Other receivables, third parties		1,020,468	472,804
Derivative instruments	8	409,385	654,525
Inventories	11	71,723,427	68,505,830
Prepaid expenses	20	4,828,169	3,452,320
Current income tax assets	21	1,847,481	2,492,387
Other current assets	23	5,894,443	5,288,389
Total current assets		229,466,170	247,352,536
Non-current assets:			
Financial investments	6	234,939	204,642
Trade receivables			
- Trade receivables, third parties	9	34,849	49,265
Derivatives	8	34,852	-
Investments accounted for using the equity method	12	2,497,349	2,102,324
Property, plant and equipment	13	90,815,813	64,379,591
Intangible assets			
- Goodwill	15	8,546,899	10,495,331
- Other intangible assets	14	36,313,562	28,730,516
Prepaid expenses	20	5,511,914	7,241,025
Deferred tax assets	32	23,029,198	11,883,905
Other non-current assets		1,240,529	257,250
Total non-current assets		168,259,904	125,343,849
Total assets		397,726,074	372,696,385

The accompanying notes form an integral part of these consolidated financial statements.

ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)
(Convenience translation into english of consolidated financial statements originally issued in Turkish)

		Audited	
	Notes	December 31, 2024	December 31, 2023
LIABILITIES			
Current liabilities:			
Short-term borrowings	7	51,378,198	74,336,432
Short-term portion of long-term borrowings	7	10,888,592	8,606,858
Trade payables			
- Due to related parties	34	5,627,766	7,545,626
- Trade payables, third parties	9	96,761,843	70,714,624
Derivative instruments	8	327,081	185,485
Employee benefit obligations	22	17,111,283	6,144,648
Other payables			
- Other payables, related parties		1,205	351,807
- Other payables, third parties	10	5,829,813	5,776,656
Current income tax liabilities	32	274,585	609,044
Provisions			
- Other provisions	18	13,573,681	9,165,340
Other current liabilities	23	19,463,402	15,519,038
Total current liabilities		221,237,449	198,955,558
Non-current liabilities:			
Long-term borrowings	7	75,776,290	64,192,475
Provisions			
- Provision for employee benefits	19	7,422,998	4,909,333
- Other provisions	18	2,910,702	1,800,363
Derivative instruments	8	-	1,122,413
Deferred tax liabilities	32	4,683,062	4,891,662
Other non-current liabilities	23	10,631,980	10,827,752
Total non-current liabilities		101,425,032	87,743,998
Total liabilities		322,662,481	286,699,556

The accompanying notes form an integral part of these consolidated financial statements.

ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)
(Convenience translation into english of consolidated financial statements originally issued in Turkish)

		Audited	
	Notes	December 31, 2024	December 31, 2023
EQUITY			
Paid-in capital	24	675,728	675,728
Adjustment to share capital	24	22,871,352	22,871,352
Treasury shares	24	(11,522,557)	(11,522,557)
Other accumulated comprehensive income and expense not to be reclassified to profit or loss			
Gains/losses on revaluation and remeasurement			
- Gain/loss arising from defined benefit plans		(4,063,228)	(3,369,800)
Other accumulated comprehensive income and expense to be reclassified to profit or loss			
Currency translation differences		11,523,929	25,876,113
Gains/losses on hedge			
- Gains/losses on hedges of net investment in foreign operations		(14,864,268)	(13,391,066)
- Gains/losses on cash flow hedges		(77,372)	(864,714)
Gains/(losses) from financial assets measured at fair value through other comprehensive income		3,394	23,513
Restricted reserves	24	18,236,862	18,236,862
Retained earnings		42,697,900	23,192,418
Net income for the period		1,689,082	19,505,482
Equity holders of the parent		67,170,822	81,233,331
Non-controlling interest		7,892,771	4,763,498
Total equity		75,063,593	85,996,829
Total liabilities and equity		397,726,074	372,696,385

The accompanying notes form an integral part of these consolidated financial statements.

ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)
(Convenience translation into english of consolidated financial statements originally issued in Turkish)

	Notes	Audited	
		2024	2023
Net sales	4,25	428,548,223	371,203,268
Cost of sales	26	(310,446,187)	(262,373,433)
Gross profit	4	118,102,036	108,829,835
General administrative expenses	26	(24,780,382)	(21,338,368)
Marketing expenses	26	(82,725,672)	(67,914,137)
Research and development expenses	26	(4,848,640)	(2,806,443)
Other income from operating activities	27	28,667,185	19,400,312
Other expenses from operating activities	27	(27,292,101)	(21,505,695)
Operating profit		7,122,426	14,665,504
Income from investment activities	28	1,219,527	73,391
Expenses from investment activities	28	(338,091)	(147,999)
Share of profit/loss of investments accounted for using the equity method	12	(176,070)	(695,070)
Operating income before financial income/(expense)		7,827,792	13,895,826
Financial income	29	22,050,502	32,620,625
Financial expenses	30	(47,298,830)	(50,457,758)
Net monetary position gain/(loss)	31	15,810,124	22,712,078
Profit from continuing operations before tax		(1,610,412)	18,770,771
Tax income/(expense), continuing operations			
- Taxes on expense	32	(1,409,767)	(2,759,020)
- Deferred tax income/(expense)	32	812,891	4,544,916
Net income		(2,207,288)	20,556,667
Attributable to			
Non-controlling interest		(3,896,370)	1,051,185
Equity holders of the parent		1,689,082	19,505,482
Earnings per share (kurus)	33	2.783	32.142

The accompanying notes form an integral part of these consolidated financial statements.

ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)
(Convenience translation into english of consolidated financial statements originally issued in Turkish)

	Audited	
	2024	2023
Net income	(2,207,288)	20,556,667
Other comprehensive income		
Not to be reclassified to profit or loss	(901,562)	(1,332,699)
Gain/loss arising from defined benefit plans	(895,412)	(1,298,976)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	(6,150)	(33,723)
Not to be reclassified to profit or loss, tax effect	208,134	285,560
Gain/loss arising from defined benefit plans, tax effect	208,134	285,560
To be reclassified to profit or loss	(17,026,973)	(14,371,594)
Currency translation differences	(16,208,496)	(7,004,179)
Other comprehensive income related with hedges of net investments in foreign operations	(1,964,271)	(6,029,294)
Other comprehensive income related with cash flow hedge	1,048,811	(1,192,580)
Share of other comprehensive income of investments accounted for using the equity method that will be reclassified to profit or loss	117,605	(124,044)
- Currency translation differences of investments accounted for using the equity method	117,605	(124,756)
- Gain/loss from cash flow hedges of investments accounted for using equity method	-	712
Gains/(losses) from financial assets measured at fair value through other comprehensive income	(20,622)	(21,497)

The accompanying notes form an integral part of these consolidated financial statements.

ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

(Convenience translation into english of consolidated financial statements originally issued in Turkish)

	Audited	
	2024	2023
To be reclassified to profit or loss, tax effect	230,103	1,723,845
Other comprehensive income related with hedges of net investments in foreign operations, tax effect	491,069	1,429,969
Other comprehensive income related with cash flow hedge, tax effect	(261,469)	293,797
Other comprehensive income related to financial assets with fair value difference reflected in other comprehensive income, tax effect	503	79
Other comprehensive income/(loss) (net of tax)	(17,490,298)	(13,694,888)
Total comprehensive income	(19,697,586)	6,861,779
Attributable to:		
Non-controlling interest	(5,635,077)	878,141
Equity holders of the parent	(14,062,509)	5,983,638

The accompanying notes form an integral part of these consolidated financial statements.

ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)
(Convenience translation into english of consolidated financial statements originally issued in Turkish)

				Other comprehensive income not to be reclassified under profit and loss
	Paid-in capital	Adjustment to share capital	Treasury shares	Gain/(loss) arising from defined benefit plans
Balance at January 1, 2023-Previously reported	675,728	22,871,352	(11,522,557)	(2,322,661)
Restatement effect (Note 2.1)	-	-	-	-
Balance at January 1, 2023-Restated	675,728	22,871,352	(11,522,557)	(2,322,661)
Transfers	-	-	-	-
Total comprehensive income	-	-	-	(1,047,139)
Net income	-	-	-	-
Other comprehensive income	-	-	-	(1,047,139)
Dividends	-	-	-	-
As of December 31, 2023	675,728	22,871,352	(11,522,557)	(3,369,800)
Balance at January 1, 2024	675,728	22,871,352	(11,522,557)	(3,369,800)
Transfers	-	-	-	-
Total comprehensive income	-	-	-	(693,428)
Net income	-	-	-	-
Other comprehensive income	-	-	-	(693,428)
Dividends	-	-	-	-
Acquisition of subsidiary (Note 3)	-	-	-	-
Transactions with non-controlling interests (Note 3)	-	-	-	-
As of December 31, 2024	675,728	22,871,352	(11,522,557)	(4,063,228)

The accompanying notes form an integral part of these consolidated financial statements.

Other comprehensive income to be reclassified under profit and loss		Retained earnings							
Gains/losses on financial assets measured at fair value throughout comprehensive income	Gains/losses on hedge	Currency translation differences	Restricted reserves	Retained earnings	Net income	Equity holders of the parent	Non- controlling interest	Total equity	
44,931	(8,758,384)	37,033,653	18,799,093	19,395,295	-	76,216,450	7,580,147	83,796,597	
-	-	(4,201,649)	-	6,652,610	-	2,450,961	(2,450,961)	-	
44,931	(8,758,384)	32,832,004	18,799,093	26,047,905	-	78,667,411	5,129,186	83,796,597	
-	-	-	373,420	(373,420)	-	-	-	-	
(21,418)	(5,497,396)	(6,955,891)	-	-	19,505,482	5,983,638	878,141	6,861,779	
-	-	-	-	-	19,505,482	19,505,482	1,051,185	20,556,667	
(21,418)	(5,497,396)	(6,955,891)	-	-	-	(13,521,844)	(173,044)	(13,694,888)	
-	-	-	(935,651)	(2,482,067)	-	(3,417,718)	(1,243,829)	(4,661,547)	
23,513	(14,255,780)	25,876,113	18,236,862	23,192,418	19,505,482	81,233,331	4,763,498	85,996,829	
23,513	(14,255,780)	25,876,113	18,236,862	23,192,418	19,505,482	81,233,331	4,763,498	85,996,829	
-	-	-	-	19,505,482	(19,505,482)	-	-	-	
(20,119)	(685,860)	(14,352,184)	-	-	1,689,082	(14,062,509)	(5,635,077)	(19,697,586)	
-	-	-	-	-	1,689,082	1,689,082	(3,896,370)	(2,207,288)	
(20,119)	(685,860)	(14,352,184)	-	-	-	(15,751,591)	(1,738,707)	(17,490,298)	
-	-	-	-	-	-	-	(1,128,046)	(1,128,046)	
-	-	-	-	-	-	-	5,064,800	5,064,800	
-	-	-	-	-	-	-	4,827,596	4,827,596	
3,394	(14,941,640)	11,523,929	18,236,862	42,697,900	1,689,082	67,170,822	7,892,771	75,063,593	

ARÇELİK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

(Convenience translation into english of consolidated financial statements originally issued in Turkish)

	Notes	Audited	
		January 1- December 31, 2024	January 1- December 31, 2023
Cash flows from operating activities:			
Net income:		(2,207,288)	20,556,667
<i>Adjustments to reconcile net cash provided from operating activities to net income after taxes</i>			
Adjustments for depreciation and amortisation expense	26	16,549,997	12,582,692
Adjustments for impairment loss	37	(285,174)	447,932
Adjustments for other provisions	37	5,555,336	5,679,175
Adjustments for interest income	29	(2,949,159)	(2,707,300)
Adjustments for interest expense	30	16,024,137	11,458,009
Adjustments for income arised from government grants	27	(769,618)	(538,245)
Adjustments for unrealised foreign exchange losses (gains)		997,936	7,732,590
Adjustments for fair value (gains) losses on derivative financial instruments	29,30	4,489,194	(6,159,996)
Adjustments for undistributed profits of investments accounted for using equity method	12	176,070	695,070
Adjustments for tax expense/income	32	596,876	(1,785,896)
Adjustments for losses (gains) on disposal of non-current assets	28	145,022	75,044
Adjustment for bargained acquisition profit	27	(17,023,034)	-
Adjustments related to losses (gains) arising from the disposal of subsidiaries, joint ventures, and financial investments or changes in their shares	28	(13,164)	-
Adjustments related to provisions for restructuring (reversals)	27	11,840,803	-
Adjustments related to fair value losses (gains) of financial assets	28	112,546	-
Other adjustments to reconcile profit (loss)	29,30	2,486,003	99,843
Adjustments for dividend (income) loss	28	(2,626)	(436)
Adjustments for contingent liabilities	28,30	(629,232)	754,474
Monetary gain/(loss)		(28,272,629)	(37,563,193)
Adjustments regarding net profit reconciliation for the period		6,821,996	11,326,430
Changes in operating assets and liabilities:			
Adjustments for decrease (increase) in trade receivables		29,477,855	(14,831,415)
Adjustments for decrease (increase) in inventories		16,655,526	5,747,171
Decrease (increase) in prepaid expenses		(399,786)	(978,663)
Adjustments for increase (decrease) in trade payables		(25,819,599)	3,934,492
Increase (decrease) in employee benefit liabilities		(4,524,519)	572,635
Adjustments for increase (decrease) in other operating payables		(975,662)	2,392,648
Increase (decrease) in government grants and assistance		463,484	322,484
Other adjustments for other increase (decrease) in working capital		(6,414,024)	(7,793,364)
Income taxes refund (paid)		(895,570)	(1,173,249)
Cash flows from operating activities		14,389,701	(480,831)
Investing activities:			
Cash outflows from accusations/payments to gain control of subsidiaries	3	9,016,012	(1,851,493)
Cash outflows due to share acquisition or capital increase in affiliates and/or joint ventures	12	(526,203)	-
Cash outflows from purchases of property, plant and equipment and intangible assets	13,14	(23,796,042)	(18,533,286)
Cash inflows from sale of property, plant and equipment and intangible assets		674,980	932,893
Dividends received	12,28	58,192	35,849
Cash inflows due to sale of shares in associates or joint ventures or capital reduction	6	(167,966)	(16,936)
Cash inflows from the disposal of equity or debt instruments of other entities or funds		22,514	-
Cash flows from investing activities		(14,718,513)	(19,432,973)
Financing activities:			
Proceeds from borrowings	7	139,009,053	169,700,299
Repayments of borrowings	7	(121,092,117)	(146,861,447)
Bonds issued	7	7,575,890	30,385,163
Payments of lease liabilities	7	(4,383,374)	(2,790,664)
Dividends paid		(1,128,046)	(4,661,547)
Cash inflows from derivative instruments (net)		(4,158,393)	5,745,325
Interest paid		(15,170,927)	(11,640,263)
Interest received		2,891,896	2,807,182
Other inflows (outflows) of cash	29,30	(2,486,003)	(99,843)
Cash flows from financing activities		1,057,979	42,584,205
Inflation impact on cash and cash equivalents		(9,245,971)	(15,710,319)
Net increase/(decrease) in cash and cash equivalents before currency translation differences		(8,516,804)	6,960,082
Effect of currency translation differences		(11,169,612)	5,230,463
Net increase/(decrease) in cash and cash equivalents		(19,686,416)	12,190,545
Cash and cash equivalents at January 1	5	70,423,031	58,232,486
Cash and cash equivalents at December 31	5	50,736,615	70,423,031

The accompanying notes form an integral part of these consolidated financial statements.

ARÇELİK ANONİM ŞİRKETİ**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Arçelik Anonim Şirketi ("Arçelik" or "the Company") and its subsidiaries (collectively, "the Group") undertake all commercial and industrial activities in respect of the production, sales and marketing, customer services after sales, exportation and importation of consumer durable goods and consumer electronics. The Group operates forty-five manufacturing plants in Turkey, Romania, Russia, China, Republic of South Africa, Poland, Slovakia, Italy, Thailand, Pakistan, India, Bangladesh and Egypt. The Company is controlled by Koç Holding A.Ş., the parent company, Koç Family and the companies owned by Koç Family (Note 24). The Company's head office is located at: Karaağaç Caddesi No: 2-6 Söğütözü 34445 Beyoğlu Istanbul/Turkey.

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa Istanbul ("BIST") since 1986. As of December 31, 2024, the publicly listed shares are 25.15% of the total shares. (December 31, 2023: 25.15%) (Includes treasury shares of 10.19% as of December 31, 2024, and December 31, 2023)

The average number of personnel employed by categories in the Group is 13,213 monthly paid (1 January - 31 December 2024: 9,992) and 38,230 hourly paid (1 January - 31 December 2023: 31,050) totaling to 51,443 (1 January - 31 December 2023: 41,042).

ARÇELİK ANONİM ŞİRKETİ

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NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries and branches	Country of incorporation	Core business	Nature of business
Continuing operations as of balance sheet date:			
Arcelik Hitachi Home Appliances B.V. (Arçelik Hitachi)	Netherlands	Investment	Holding
Arcelik Hitachi Home Appliances IBC Co. Ltd.	Thailand	Service	Service
Arcelik Hitachi Home Appliances Sales (Hong Kong) Limited	Hong Kong, China	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Malaysia) Sdn. Bhd.	Malaysia	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Middle East) Fze	United Arab Emirates	Sales	Consumer Durables
Arcelik Hitachi Home Appliances (Shanghai) Co., Ltd.	China	Production/Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd	Singapore	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Thailand) Ltd.	Thailand	Sales	Consumer Durables
Arcelik Hitachi Home Appliances (Thailand) Ltd.	Thailand	Production/Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Vietnam) Co., Ltd.	Vietnam	Sales	Consumer Durables
Arcelik Hitachi Taiwan Home Appliances Sales Ltd.	Taiwan	Sales	Consumer Durables
Arch R&D Co. Ltd. ("Arch R&D")	China	R&D	Developing technology and design
Arctic Foundation ("Arctic Foundation")	Romania	Foundation	Foundation
Arcwaste Collection SRL ("Arcwaste") ⁽¹⁾	Romania	Service	Service
Arçelik Pazarlama A.Ş. ("Pazarlama A.Ş.")	Turkey	Service/Sales/Marketing	Consumer Durables/Electronics
Bauknecht AG ("Bauknecht") ⁽²⁾	Switzerland	Sales	Consumer Durables
Bauknecht Hausgeräte GmbH ("Bauknecht Hausgeräte") ⁽²⁾	Germany	Sales	Consumer Durables
Beko A and NZ Pty Ltd. ("Beko Australia")	Australia	Sales	Consumer Durables
Beko A and NZ Pty Ltd. New Zealand Branch ("Beko New Zealand") ⁽¹⁾	New Zealand	Sales	Consumer Durables
Beko AE LLC (Beko AE) ⁽²⁾	United Arab Emirates	Sales	Consumer Durables
Beko Algeria EURL ("Beko Algeria")	Algeria	Sales	Consumer Durables
Beko APAC IBC Co. ("Beko APAC")	Thailand	Service	Service
Beko Appliances Malaysia Sdn. Bhd. ("Beko Malaysia")	Malaysia	Sales	Consumer Durables
Beko Austria AG ("Beko Austria")	Austria	Sales	Consumer Durables/Electronics
Beko Azerbaijan MMC ("Beko Azerbaijan")	Azerbaijan	Sales	Consumer Durables
Beko B.V. ("Beko B.V.")	Netherlands	Investment	Holding
Beko Balkans D.O.O ("Beko Balkans")	Serbia	Sales	Consumer Durables/Electronics
Beko Bangladesh B.V ("Beko Bangladesh")	Netherlands	Investment	Holding
Beko Belgium N.V. ("Beko Belgium")	Belgium	Sales	Consumer Durables
Beko Canada INC ("Beko Canada") ⁽²⁾	Canada	Sales	Consumer Durables
Beko Central Asia LLC ("Beko Central Asia")	Kazakhstan	Sales	Consumer Durables
Beko Croatia d.o.o ("Beko Croatia") ⁽¹⁾	Croatia	Sales	Consumer Durables
Beko Egypt Home Appliances Industries LLC ("Beko Egypt LLC")	Egypt	Production/Sales	Consumer Durables/Electronics
Beko Egypt Trading LLC ("Beko Egypt")	Egypt	Sales	Consumer Durables
Beko Electrical Appliances Co. Ltd. ("Beko China")	China	Sales	Consumer Durables
Beko Europe Austria GmbH (Beko Europe Austria) ⁽²⁾	Austria	Sales	Consumer Durables
Beko Europe B.V. ("Beko Europe")	Netherlands	Investment	Holding
Beko Europe Bulgaria EOOD ("Beko Bulgaria") ⁽²⁾	Bulgaria	Sales	Consumer Durables
Beko Europe Denmark A/S ("Beko Europe Denmark") ⁽²⁾	Denmark	Service	Service
Beko Europe Estonia OÜ ("Beko Estonia") ⁽²⁾	Estonia	Sales	Consumer Durables
Beko Europe Holdings BV ("Beko Holdings") ⁽²⁾	Netherlands	Investment	Holding
Beko Europe Iberia, S.A. ("Beko Iberia") ⁽²⁾	Portugal	Sales	Consumer Durables
Beko Europe Latvia SIA ("Beko Latvia") ⁽²⁾	Latvia	Sales	Consumer Durables
Beko Europe Lithuania UAB ("Beko Lithuania") ⁽²⁾	Lithuanian	Sales	Consumer Durables
Beko Europe Management SRL ("Beko Europe Management") ⁽²⁾	Italy	Sales	Consumer Durables
Beko Europe R&D SRL ("Beko R&D") ⁽²⁾	Italy	R&D	Developing technology and design
Beko France S.A.S. ("Beko France")	France	Sales	Consumer Durables/Electronics

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(Convenience translation into English of consolidated financial statements originally issued in Turkish)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries and branches	Country of incorporation	Core business	Nature of business
Continuing operations as of balance sheet date:			
Beko Germany GmbH ("Beko Germany")	Germany	Sales	Consumer Durables/Electronics
Beko Greece SMSA ("Beko Greece")	Greece	Sales	Consumer Durables
Beko Gulf DMCC ("Beko Gulf DMCC") ⁽²⁾	United Arab Emirates	Sales	Consumer Durables
Beko Gulf FZE ("Beko Gulf")	United Arab Emirates	Sales	Consumer Durables/Electronics
Beko Hong Kong Ltd. ("Beko Hong Kong")	Hong Kong, China	Purchase	Consumer Durables/Electronics
Beko Hungary Kft ("Beko Hungary")	Hungary	Sales	Consumer Durables/Electronics
Beko Ireland (Beko PLC Branch) ("Beko Ireland") ⁽¹⁾	Republic of Ireland	Sales	Consumer Durables/Electronics
Beko Israel Household Appliances Ltd. ("Beko Israel")	Israel	Marketing	Consumer Durables
Beko Italy Manufacturing SRL (Beko Italy Manufacturing) ⁽²⁾	Italy	Production/Sales	Consumer Durables/Electronics
Beko Italy SRL ("Beko Italy")	Italy	Sales	Consumer Durables/Electronics
Beko LLC. ("Beko Russia")	Russia	Production/Sales	Consumer Durables/Electronics
Beko Maghreb Sarl ("Beko Maghreb") ⁽²⁾	Morocco	Sales	Consumer Durables
Beko Manufacturing Slovakia spol. S.R.O. ("Beko Manufacturing Slovakia") ⁽²⁾	Slovakia	Purchase	Consumer Durables/Electronics
Beko Morocco Household Appliances SARL ("Beko Morocco")	Morocco	Sales	Consumer Durables/Electronics
Beko Netherlands B.V. ("Beko Netherlands")	Netherlands	Sales	Consumer Durables
Beko Nordic AB, Finland Rep Office of Beko Nordic AB ("Beko Finland") ^{(1) (1)}	Finland	Sales	Consumer Durables/Electronics
Beko Nordic AB. ("Beko Sweden")	Sweden	Sales	Consumer Durables/Electronics
Beko Nordic AS ("Beko Norway")	Norway	Sales	Consumer Durables/Electronics
Beko Nordic DK, Denmark Branch of Beko Nordic AS ("Beko Denmark") ^{(1) (1)}	Denmark	Sales	Consumer Durables/Electronics
Beko Pilipinas Corporation ("Beko Philippines")	Republic of the Philippines	Sales	Consumer Durables
Beko Plc. ("Beko UK")	England	Sales	Consumer Durables/Electronics
Beko Poland Manufacturing Sp. Z O.O. ("Beko Poland Manufacturing") ⁽²⁾	Poland	Purchase	Consumer Durables/Electronics
Beko Portugal, Unipessoal LDA ("Beko Portugal")	Portugal	Sales	Consumer Durables/Electronics
Beko Romania SA ("Arctic") ⁽¹⁾	Romania	Production/Sales	Consumer Durables/Electronics
Beko S.A. ("Beko Polska")	Poland	Sales	Consumer Durables/Electronics
Beko S.A., Czech Branch of Beko S.A. ("Beko Czech")	Czech Republic	Sales	Consumer Durables/Electronics
Beko Shanghai Trading Co Ltd. ("Beko Shanghai")	China	Sales	Consumer Durables/Electronics
Beko Slovakia S.R.O. ("Beko Slovakia")	Slovakia	Sales	Consumer Durables/Electronics
Beko Spain Electronics S.L. ("Beko Spain") ⁽¹⁾	Spain	Sales	Consumer Durables/Electronics
Beko Switzerland GmbH ("Beko Switzerland")	Switzerland	Sales	Consumer Durables/Electronics
Beko Thai Co. Ltd. ("Beko Thailand")	Thailand	Production/Sales	Consumer Durables
Beko Ukraine LLC. ("Beko Ukraine")	Ukraine	Sales	Consumer Durables
Beko US INC. ("Beko US")	United States of America	Sales	Consumer Durables
Dawlance (Private) Ltd. ("Dawlance")	Pakistan	Production/Sales	Consumer Durables
Defy Appliances (Proprietary) Ltd. ("Defy")	Republic of the South Africa	Production/Sales	Consumer Durables
Defy (Botswana) (Proprietary) Ltd. ("Defy Botswana")	Botswana	Sales	Consumer Durables
Defy (Namibia) (Proprietary) Ltd. ("Defy Namibia")	Namibia	Sales	Consumer Durables
Defy Sales East Africa Limited ("Defy Kenya")	Kenya	Sales	Consumer Durables
Defy (Swaziland) (Proprietary) Ltd. ("Defy Swaziland")	Svaziland	Sales	Consumer Durables
DEL Electronics (Private) Ltd. ("DEL")	Pakistan	Sales	Consumer Durables
European Appliances Balkans d.o.o. Beograd ("European Balkans") ⁽²⁾	Serbia	Service	Service
European Appliances Belgium NV ("European Belgium") ⁽²⁾	Belgium	Sales	Consumer Durables
European Appliances Croatia d.o.o. ("European Croatia") ⁽²⁾	Croatia	Sales	Consumer Durables
European Appliances Czech spol. S.R.O. ("European Czech") ⁽²⁾	Czech Republic	Sales	Consumer Durables
European Appliances Finland OY ("European Finland") ⁽²⁾	Finland	Service	Service
European Appliances France Holdings SAS ("European France Holdings") ⁽²⁾	France	Investment	Holding
European Appliances France SAS ("European France") ⁽²⁾	France	Sales	Consumer Durables
European Appliances Greece SA ("European Greece") ⁽²⁾	Greece	Sales	Sales
European Appliances Hungary KFT ("European Hungary") ⁽²⁾	Hungary	Sales	Consumer Durables
European Appliances Italy SRL ("European Italy") ⁽²⁾	Italy	Sales	Consumer Durables
European Appliances Netherlands BV ("European Netherlands") ⁽²⁾	Netherlands	Sales	Consumer Durables
European Appliances Nordic AB ("European Nordic") ⁽²⁾	Sweden	Sales	Consumer Durables

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NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries and branches	Country of incorporation	Core business	Nature of business
Continuing operations as of balance sheet date:			
European Appliances Norway AS ("European Norway") ⁽²⁾	Norway	Service	Service
European Appliances Poland Sp. Z.O.O. ("European Poland") ⁽²⁾	Poland	Sales	Consumer Durables
European Appliances Romania SRL ("European Romania") ⁽²⁾	Romania	Sales	Consumer Durables
European Appliances Slovakia spol. S.R.O. ("European Slovakia") ⁽²⁾	Slovakia	Sales	Consumer Durables
European Appliances Ukraine LLC ("European Ukraine") ⁽²⁾	Ukraine	Sales	Consumer Durables
European Home Appliances Spain S.A. ("European Spain") ⁽²⁾	Spain	Sales	Consumer Durables
General Domestic Appliances Holdings LTD ("General Appliances") ⁽²⁾	England	Investment	Holding
Grundig Multimedia A.G. ("Grundig Switzerland")	Switzerland	Sales	Electronics
Hotpoint Ireland Ltd ("Hotpoint Ireland") ⁽²⁾	Republic of Ireland	Sales	Consumer Durables
Hotpoint UK Appliances Limited ("Hotpoint UK") ⁽²⁾	England	Production/Sales	Consumer Durables/Electronics
IHP Appliances LLC ("IHP Appliances")	Russia	Production/Sales	Consumer Durables/Electronics
IHP Appliances Sales LLC ("IHP Appliances Sales")	Russia	Sales	Consumer Durables/Electronics
IHP Kazakhstan LLP ("IHP Kazakhstan")	Kazakhstan	Sales	Consumer Durables/Electronics
Indesit Company International Business SA ("Indesit International") ⁽²⁾	Switzerland	Treasury	Treasury
Indesit Company UK Holdings LTD ("Indesit UK") ⁽²⁾	England	Investment	Holding
IRE Beteiligungs GmbH ("IRE Beteiligungs") ⁽²⁾	Germany	Sales	Electronics
Pan Asia Private Equity Ltd. ("Pan Asia")	British Virgin Islands	Investment	Holding
PT Beko Appliances Indonesia ("PT Indonesia")	Indonesia	Sales	Consumer Durables
PT Home Appliances IND ("PT IND")	Indonesia	Sales	Consumer Durables
PT. Arçelik Hitachi Home Appliances Sales Indonesia (Arçelik Hitachi Indonesia)	Indonesia	Sales	Consumer Durables
Singer Bangladesh Limited ("Singer Bangladesh")	Bangladesh	Production/Sales	Consumer Durables/Electronics
United Refrigeration Industries Ltd. ("URIL")	Pakistan	Production/Sales	Consumer Durables
Vietbeko LLC. ("Vietbeko")	Vietnam	Sales	Consumer Durables

⁽¹⁾ Branches of the Subsidiary, which operate in a different country, are separately presented.⁽²⁾ The trade names of the related companies were updated as of April 2024, and the registration procedures for the change have been completed in the related country registers.⁽²⁾ As of the business combination that took place on April 1, 2024, the relevant companies have been incorporated into the Group. The registration procedures related to the changes in the board of directors and the company name are ongoing in the relevant country registries.

Ceased operations as of reporting date:	Country of incorporation	Core business	Nature of business
Beko Cesko ("Beko Cesko")	Czech Republic	-	-
Grundig Intermedia Ges.m.b.H ("Grundig Austria")	Austria	-	-
Associates			
Koç Finansman A.Ş. ("Koç Finansman")	Turkey	Finance	Consumer Finance
Ram Dış Ticaret A.Ş. ("Ram Dış Ticaret")	Turkey	Sales	Foreign Trade
Joint Ventures			
Arçelik-LG Klima Sanayi ve Ticaret A.Ş. ("Arçelik-LG")	Turkey	Production/Sales	Consumer Durables
VoltBek Home Appliances Private Limited ("VoltBek")	India	Production/Sales	Consumer Durables

Approval of consolidated financial statements

These consolidated financial statements as of and for the year ended December 31, 2024, has been approved for issue by the Board of Directors on January 31, 2025. These consolidated financial statements will be finalized following their approval in the General Assembly.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**2.1 Basis of presentation****Financial reporting standards**

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

The consolidated financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on July 3, 2024 by POA and the format and mandatory information recommended by CMB.

Foreign subsidiaries have prepared their statutory financial statements in accordance with the related local laws and regulations. Consolidated financial statements have been prepared under the historical cost convention except for the derivative instruments and available for sale financial assets presented at fair values.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023.

TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2023, on the purchasing power basis as of December 31, 2024.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Index	Conversion Factor	Three-year Coound Inflation Rate
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of presentation (Continued)**

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement. (Note 31)

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter.

a) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements;

The amendments did not have a significant impact on the financial position or performance of the Group.

b) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to TAS 21 - Lack of exchangeability

The Group will assess the effects of these changes after the mentioned standards have been finalized.

- TFRS 17 - The new Standard for insurance contracts

The mentioned standard is not applicable to the Group.

c) The amendments which are effective immediately upon issuance**Amendments to TAS 12 - International Tax Reform - Pillar Two Model Rules**

The amendments do not have a significant impact on the financial position or performance of the Group.

ARÇELİK ANONİM ŞİRKETİ

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of presentation (Continued)****d) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

The following amendments to TFRS 9 and TFRS 7 as well as TFRS 18 and TFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

- Amendments to TFRS 9 and TFRS 7 - Classification and measurement of financial instruments
- Amendments to TFRS 9 and TFRS 7 - Contracts Concerning Electricity Generated from Natural Resources
- IFRS 18 - The new Standard for Presentation and Disclosure in Financial Statements

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

- TFRS 19 - Subsidiaries without Public Accountability: Disclosures

The mentioned standard is not applicable to the Group.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TRY, which is the functional currency of Arçelik and the presentation currency of the Group.

Financial statements of subsidiaries operating in countries other than Turkey

The Financial statements of subsidiaries operating in countries other than Turkey are compiled by the TAS/TFRS promulgated by the POA to reflect the proper presentation and content. Subsidiaries' assets and liabilities are translated into TRY from the foreign exchange rate at the reporting date and income and expenses are translated into TRY at the average foreign exchange rate and indexing has been applied to bring the income and expenses to the current period's purchasing power. Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet date rates are recognised in the "currency translation difference" under the use of equity.

Consolidation principles

(a) The consolidated financial statements include the accounts of the parent company, Arçelik, and its Subsidiaries and Associates on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the consolidation have been prepared as of the date of the consolidated financial statements and are based on the statutory records with adjustments and reclassifications for the purpose of presentation in conformity TAS/TFRS promulgated by the POA as set out in the communiqué numbered II-14.1, and Group accounting and disclosure policies.

(b) Subsidiaries are the Companies controlled by Arçelik when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(c) Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

The statement of financial position and statements profit or loss of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Arçelik and its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between Arçelik and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by Arçelik in its Subsidiaries are eliminated from shareholders' equity and income for the year, respectively.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of presentation (Continued)**

The table below sets out all Subsidiaries included in the scope of consolidation discloses their direct and indirect ownership, which are identical to their economic interests, as of December 31, 2024, and December 31, 2023, (%) and their functional currencies:

		December 31, 2024		December 31, 2023	
	Functional currency	Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Continuing operations as of balance sheet date:					
Arçelik Hitachi	USD	60	60	60	60
Arçelik Hitachi Dubai	Dirham	60	60	60	60
Arçelik Hitachi Hong Kong	Hong Kong Dollar	60	60	60	60
Arçelik Hitachi Indonesia	Indonesian Rup.	40.5	40.5	40.5	40.5
Arçelik Hitachi Malaysia	Malaysian Ringgit	60	60	60	60
Arçelik Hitachi Sales Thailand	Thai Baht	60	60	60	60
Arçelik Hitachi Shangai	Chinese Yuan	57	57	57	57
Arçelik Hitachi Singapore	Singapore Dollar	60	60	60	60
Arçelik Hitachi Taiwan	Taiwanese Dollar	60	60	60	60
Arçelik Hitachi Thailand	Thai Baht	50.4	50.4	50.4	50.4
Arçelik Hitachi Thailand IBC	Thai Baht	60	60	60	60
Arçelik Hitachi Vietnam	Vietnamese Dong	60	60	60	60
Arch R&D	Chinese Yuan	100	100	100	100
Arctic Foundation (*)	Romanian Lei	72.54	72.54	96.72	96.72
Arcwaste (*)	Romanian Lei	72.54	72.54	96.72	96.72
Bauknecht (**)	Swiss Franc	75	75	-	-
Bauknecht Hausgeräte (**)	Euro	75	75	-	-
Beko AE (**)	Dirham	100	100	-	-
Beko Algeria	Algerian Dinar	100	100	100	100
Beko APAC	Thai Baht	100	100	100	100
Beko Australia	Australian Dollar	100	100	100	100
Beko Austria (*)	Euro	75	75	100	100
Beko Azerbaijan	Azerbaijan Manat	100	100	100	100
Beko B.V.	Euro	100	100	100	100
Beko Balkans (*)	Serbian Dinar	75	75	100	100
Beko Bangladesh	Euro	100	100	100	100
Beko Belgium (*)	Euro	75	75	100	100
Beko Bulgaria (**)	Bulgarian Lev	75	75	-	-
Beko Canada (**)	Canadian Dollar	100	100	-	-
Beko Central Asia	Kazakhstan Tenge	100	100	100	100
Beko China	Chinese Yuan	100	100	100	100
Beko Croatia (*)	Croatian Kuna	75	75	100	100
Beko Czech (*)	Czech Koruna	75	75	100	100

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of presentation (Continued)**

		December 31, 2024		December 31, 2023	
	Functional currency	Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Continuing operations as of balance sheet date:					
Beko Denmark (*)	Danish Krone	75	75	100	100
Beko Egypt	Egyptian Lira	100	100	100	100
Beko Egypt LLC	Egyptian Lira	100	100	100	100
Beko Estonia (**)	Euro	75	75	-	-
Beko Europe (*)	Euro	75	75	-	-
Beko Europe Austria (**)	Euro	75	75	-	-
Beko Europe Denmark (**)	Danish Krone	75	75	-	-
Beko Europe Management (**)	Euro	75	75	-	-
Beko Finland (*)	Euro	75	75	100	100
Beko France (*)	Euro	75	75	100	100
Beko Germany (*)	Euro	75	75	100	100
Beko Greece (*)	Euro	75	75	100	100
Beko Gulf	Dirham	100	100	100	100
Beko Gulf DMCC (**)	Dirham	100	100	-	-
Beko Holdings (**)	Euro	75	75	-	-
Beko Hong Kong	US Dollar	100	100	100	100
Beko Hungary (*)	Hungarian Forint	75	75	100	100
Beko Iberia (**)	Euro	75	75	-	-
Beko Ireland (*)	Euro	75	75	100	100
Beko Israel	New Israeli Shekel	100	100	100	100
Beko Italy (*)	Euro	75	75	100	100
Beko Italy Manufacturing (**)	Euro	75	75	-	-
Beko Latvia (**)	Euro	75	75	-	-
Beko Lithuania (**)	Euro	75	75	-	-
Beko Maghreb (**)	Moroccan Dirham	100	100	-	-
Beko Malaysia	Malaysian Ringgit	100	100	100	100

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of presentation (Continued)**

		December 31, 2024		December 31, 2023	
	Functional currency	Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Continuing operations as of balance sheet date:					
Beko Manufacturing Slovakia (**)	Euro	75	75	-	-
Beko Morocco	Moroccan Dirham	100	100	100	100
Beko Netherlands (*)	Euro	75	75	100	100
Beko New Zealand	New Zealand Dollar	100	100	100	100
Beko Norway (*)	Norwegian Kroner	75	75	100	100
Beko Philippines	Philippine Peso	100	100	100	100
Beko Poland Manufacturing (**)	Euro	75	75	-	-
Beko Polska (*)	Polish Zloty	75	75	100	100
Beko Portugal (*)	Euro	75	75	100	100
Beko Romania (*)	Romanian Lei	72.54	72.54	96.72	96.72
Beko Russia	Russian Ruble	100	100	100	100
Beko Shanghai	Chinese Yuan	100	100	100	100
Beko Slovakia (*)	Euro	75	75	100	100
Beko Spain (*)	Euro	75	75	100	100
Beko Sweden (*)	Swedish Krona	75	75	100	100
Beko Switzerland (*)	Swiss Franc	75	75	100	100
Beko Thailand	Thai Baht	100	100	100	100
Beko UK (*)	British Pound	75	75	100	100
Beko Ukraine (*)	Ukrainian Hryvnia	75	75	100	100
Beko US	US Dollar	100	100	100	100
Beko R&D (**)	Euro	75	75	100	100
Dawlance	Pakistani Rupee	100	100	100	100
Defy	South Africa Rand	100	100	100	100
Defy Botswana	Botswana Pula	100	100	100	100
Defy Kenya	Kenya Shilling	100	100	100	100
Defy Namibia	Namibian Dollar	100	100	100	100
Defy Swaziland	Svazi Lilangeni	100	100	100	100
DEL	Pakistani Rupee	100	100	100	100
European Balkans (**)	Serbian Dinar	75	75	-	-
European Belgium (**)	Euro	75	75	-	-
European Croatia (**)	Euro	75	75	-	-
European Czech (**)	Czech Koruna	75	75	-	-
European Finland (**)	Euro	75	75	-	-
European France (**)	Euro	75	75	-	-
European France Holdings (**)	Euro	75	75	-	-
European Greece (**)	Euro	75	75	-	-
European Hungary (**)	Hungarian Forint	75	75	-	-
European Italy (**)	Euro	75	75	-	-
European Netherlands (**)	Euro	75	75	-	-
European Nordic (**)	Swedish Krona	75	75	-	-
European Norway (**)	Norwegian Kroner	75	75	-	-
European Poland (**)	Polish Zloty	75	75	-	-
European Romania (**)	Romanian Lei	75	75	-	-
European Slovakia (**)	Euro	75	75	-	-

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

		December 31, 2024		December 31, 2023	
	Functional currency	Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Continuing operations as of balance sheet date:					
European Spain (**)	Euro	75	75	-	-
European Ukraine (**)	Ukrainian Hryvnia	75	75	-	-
General Appliances (**)	British Pound	75	75	-	-
Grundig Switzerland	Swiss Franc	75	75	-	-
Hotpoint Ireland (**)	Euro	75	75	-	-
Hotpoint UK (**)	British Pound	75	75	-	-
IHP Appliances	Russian Ruble	100	100	100	100
IHP Appliances Sales	Russian Ruble	100	100	100	100
IHP Kazakhstan	Kazakhstan Tenge	100	100	100	100
Indesit International (**)	Swiss Franc	75	75	-	-
Indesit UK (**)	British Pound	75	75	-	-
Ire Beteiligungs (**)	Euro	75	75	-	-
Pan Asia	US Dollar	100	100	100	100
Pazarlama A.Ş.	Turkish Lira	100	100	100	100
PT Home Appliances IND	Indonesian Rupiah	67	67	67	67
PT Beko Appliances Indonesia	Indonesian Rupiah	100	100	100	100
Singer Bangladesh	Bangladeshi Taka	56.99	56.99	56.99	56.99
United Refrigeration Industries	Pakistani Rupee	100	100	100	100
Vietbeko	Vietnamese Dong	100	100	100	100

	December 31, 2024		December 31, 2023	
Ceased operations as of balance sheet date:				
Beko Cesko	75	75	100	100
Grundig Austria	75	75	100	100

(*) As of April 1, 2024, there have been changes in the voting rights and effective equity interest of the relevant companies as a result of the business combinations. Please refer to Note 3 for a detailed explanation.

(**) As of the business combination that took place on April 1, 2024, the relevant companies have been incorporated into the Group. The registration procedures related to the changes in the board of directors and the company name are ongoing in the relevant country registries.

(d) Associates and joint ventures are companies in which the Group has attributable interest of more than 20% and less than 50% of the ordinary share capital held for the long-term and over which a significant influence is exercised. Associates are accounted for using the equity method.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. After the date of the caesura of the significant influence, the investment is carried at fair value.

The table below sets out all associates and joint ventures shows their direct and indirect ownership as of December 31, 2024, and 2023 (%):

	December 31, 2024	December 31, 2023
Arçelik - LG	45.00	45.00
Koç Finansman	47.00	47.00
Ram Dış Ticaret	33.50	33.50
VoltBek	49.00	49.00

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of presentation (Continued)**

(e) Financial assets in which the Group has ownership interests below 20%, or in which a significant influence is not exercised by the Group that have quoted market prices in active markets and/or whose fair values can be reliably measured are classified as financial assets measured at fair value through other comprehensive income in the consolidated financial statements.

(f) The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as "non-controlling interest" in the consolidated statements of financial position and consolidated statements of profit or loss.

Going concern

The Group prepared consolidated financial statements in accordance with the going concern assumption.

Offsetting

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

Comparatives and restatement of prior periods' financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and the significant changes are explained.

Except changes pointed below paragraphs, Group has applied consistent accounting policies in the preparation of consolidated financial statements presented the Group does not have any other significant changes in accounting policy and accounting estimates in the current period.

In the consolidated statement of financial position as of December 31, 2023, advances for fixed assets amounting to TRY 3,488,797, previously classified under "Property, Plant and Equipment," have been reclassified under "Prepaid Expenses" within Non-Current Assets.

Due to the restatement resulting from the indexing of the shareholding of subsidiaries operating abroad by the parent company, net monetary position gains/(losses) arising from this restatement have been classified among the consolidated net profit for the period, consolidated retained earnings, and consolidated foreign exchange translation differences in the statement of changes in equity as of January 1, 2023, and December 31, 2023. The amounts restated for the 2024 purchasing power are indicated below, respectively.

As of January 1, 2023, a reclassification of TRY (4,201,649) in foreign exchange translation differences, TRY (2,450,961) in non-controlling interests, and TRY 6,652,610 in retained earnings was made.

As of December 31, 2023, the reclassifications were as follows: TRY 6,652,610 in retained earnings, TRY (10,620,820) in foreign exchange translation differences, TRY (4,467,266) in non-controlling interests, and TRY 8,435,476 in net profit for the period. The reclassifications have also been reported in the comparative period's financial position statement and income statement.

These changes do not have any impact on the Group's total equity.

2.2 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

ARÇELİK ANONİM ŞİRKETİ**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies**

Significant accounting policies applied in the preparation of these consolidated financial statements are summarized below:

Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by/or affiliated with them, associated companies and other companies within the Koç Holding group, and the companies controlled by Koç Holding are considered and referred to as related parties (Note 34).

Trade receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short-term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant (Note 9).

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

The Group collects some of its receivables via factoring. The Group follows related receivables in its consolidated financial statements since the collection risk of these receivables belongs to the Group until these ceded receivables are collected by the factoring company. Advance taken from factoring company against these receivables is recorded as factoring payable in "Financial Liabilities" account. Factoring expenses are accounted as accrual base in finance expenses account.

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the weighted average basis for each purchase. Cost elements included in inventories are materials, labour and factory overheads. The cost of borrowings is not included in the costs of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale (Note 11).

Financial Assets**Classification and measurement**

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

(a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

Impairment

The Group evaluates its inventories for impairment under TAS 2, trade receivables under TFRS 9, and property, plant, and equipment under TAS 36; and recognizes provisions in the financial statements when deemed necessary.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)****(b) Financial assets carried at fair value**

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets that are measured at fair value through profit or loss, excluding those subjects to fair value hedge accounting, are included in the "derivative instruments" line item in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. Group's financial instruments at fair value through profit or loss consist of forward contracts, currency swaps and cross currency fixed interest rate swap.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. Gains or losses arising from financial assets, other than impairment and exchange rate income or expenses, are recognized in other comprehensive income. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

Financial liabilities

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of profit or loss over the period. Borrowing costs are charged to the statement of profit or loss when they are incurred (Note 7). Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Recognition and de-recognition of financial instruments

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases or sales are purchases or sales generally require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired,
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the assets.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)**

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Foreign currency hedge of net investments in foreign operations

Gains or losses on the hedging instrument relating to the effective portion of the foreign currency hedge of net investments in foreign operations are recognized as other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the consolidated statement of profit or loss. The gain or loss on the hedging instruments that has been recognized directly in equity is transferred statements of profit or loss on the disposal of the foreign operation (Note 35).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less (Note 5). For the purpose of consolidated statements of cash flows, cash and cash equivalents includes cash and cash equivalents with original maturities less than three months, excluding the interest accruals. If any provision provided to the cash and cash equivalents as a result of a specific events, Group measures expected credit loss from these cash and cash equivalents by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Property, plant and equipment and related depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line or unit of production methods based on the estimated useful lives of the assets, except for land due to their indefinite useful life. The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Land improvements	10 - 50 years
Buildings	30 - 50 years
Machinery, equipment and moulds	2 - 25 years
Motor vehicles and fixtures	4 - 10 years
Leasehold improvements	3 - 10 years

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Gains or losses on disposals of property, plant and equipment are included in income/expense from investment activities.

Subsequent costs, such as repairs and maintenance or part replacement of tangible assets, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the company (Note 13). All other costs are charged to the statements of profit or loss during the financial year in which they are incurred.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)****Other intangible assets**

Other intangible assets are comprised of acquired brands, trademarks, patents, developments costs and computer software (Note 14).

a) Brands

Brands acquired through business combinations are reflected in the financial statements at their fair value, with brands denominated in Turkish Lira being indexed, and foreign currency-denominated brands being valued according to exchange rate fluctuations.

The Group has assessed the useful lives of brands as indefinite due to the fact that there is no foreseeable limit to the period over which brands are expected to generate net cash inflows for the Group. Brands that have an indefinite useful life are not subject to amortization. Brands are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is an indicator initial recognition value in an asset is greater than estimated net realizable value, the value of asset should be recorded at recoverable value. (Note 14)

b) Development costs

Costs incurred on development projects relating to the design and testing of new or improved products are recognized as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other research and development expenditures are recognized as an expense as incurred. Development expenditures previously recognized as an expense cannot be recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis from 2 to 10 years.

c) Computer software and rights

Computer software and rights are recognized at their acquisition cost. They are amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. Their estimated useful lives are between 4 -15 years.

d) Trademark licenses, patents and trademark usage right

Separately acquired trademark licenses and patents are carried at their acquisition costs. Trademarks, licenses, and patents acquired as part of business combinations are reflected in the financial statements at their fair values, indexed and adjusted for exchange rate fluctuations as of the acquisition date. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (5-10 years).

e) Customer Relationships

Customer relationships that are acquired as a part of business combination are accounted for at their fair value at the acquisition date in the financial statements. Customer relationships have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over their estimated useful lives (between 5, 50 years).

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued) Leases*****The Group - as a lessee***

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. The Group assess whether:

- a) The contract involved the use of an identified asset - this may be specified explicitly or implicitly.
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset, If the supplier has a substantive substitution right, the asset is not identified.
- c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) The Group has the right to direct use of the asset, The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
 - i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

The Group reflects a right-of-use asset and a lease liability in its financial statements at the actual commencement date of the lease.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- e) Amount of the initial measurement of the lease liability;
- f) Any lease payments made at or before the commencement date, less any lease incentives received;
- g) Any initial direct costs incurred by the Group; and
- h) An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group re-measure the right of use asset by applying cost method:

- a) After netting-off accumulated depreciation and impairment losses from right of use asset.
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies IAS 16, "Property, Plant and Equipment" to amortize the right of use asset and to asses for any impairment.

The entity applies IAS 36, 'Impairment of Assets', to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)****Lease Liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate. The alternative borrowing rate has been determined based on the borrowing rates of the Group companies at the contract dates.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option. and penalties for early termination of a lease unless the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

- Increasing the carrying amount to reflect interest on lease liability,
- Reducing the carrying amount to reflect the lease payments made and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The duration of the contract that make up the Group's lease liabilities varies between 1 and 5 years.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment. The Group do not have significant lease contracts with extension and termination options that are not included in the lease liability since they are not reasonably certain.

The Group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment. As result of the evaluations performed in the current period, there is no lease obligation or right of use assets arising from the inclusion of extension and early termination options in the lease period

Variable lease payments

Group's lease contracts also include variable lease payments which are not in the scope of TFRS 16. Variable lease payments are recognised in profit or loss in the related period.

The Group - as a lessor

The Group's activities as a lessor are not material.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)****Business combinations and goodwill (bargain purchase gain)**

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses.

Business combinations carried out by the Group have been accounted for using the acquisition method in accordance with IFRS 3 "Business Combinations." In this method, the consideration transferred includes the fair value of assets given at the date of acquisition, capital instruments issued, and liabilities assumed or incurred at the date of transition. If the business combination agreement contains provisions stipulating that the cost can be adjusted depending on future events; contingent considerations are also included in the consideration transferred at the date of merger, provided that the adjustment is probable and its value can be reliably measured. Contingent considerations arising from business combinations are measured at their fair value in the consolidated financial statements. Any excess of the cost of acquisition over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill in the consolidated financial statements.

Goodwill recognized in business combinations is tested for impairment annually (as of December 31) or more frequently if events or changes in circumstances indicate impairment, instead of amortization (Note 15). Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Any excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset which requires substantial period of time to get ready for its intended use or sale shall be capitalized over the cost of the asset (Note 14). Other borrowing costs shall be recognized as an expense in the period it incurs (Note 30).

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Group operate.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date (Note 32).

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized directly in equity is recognized in equity.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)**

The Company recognizes deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future;
- taxable profit will be available against which the temporary difference can be utilized.

The Company recognizes deferred tax liability for all taxable temporary differences associated with investments in subsidiaries except to the extent that both of the following conditions are satisfied:

- the parent can control the timing of the reversal of the temporary difference;
- it is probable that the temporary difference will not reverse in the foreseeable future.

Government grants allowing reduced corporate tax payment are evaluated within the scope of TAS 12 Income Taxes standard and are recognised as deferred tax asset by the qualified tax advantage amount, to the extent it is highly probable that future taxable profits will be available against which the unused investment tax credits can be utilised.

Employment termination benefits

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one-year service. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise (Note 19).

Retirement Benefit Obligation Provision

The accounting for retirement benefit obligations involves estimating the costs of future benefits and spreading these costs over the employee's expected service life. Determining the obligation and expense related to these costs requires the use of specific assumptions. These key assumptions include the discount rate, the expected long-term return rate on plan assets, life expectancy, and healthcare cost inflation rates. These assumptions may vary based on interest rates in high-quality bonds and equities, as well as medical cost inflation. In the event that actual outcomes differ from these assumptions, the differences accumulate and are amortized over future periods, which generally affects the expense recorded in those periods and the accrued obligation.

While it is believed that the assumptions are appropriate considering current economic conditions and actual experience, significant discrepancies in results or significant changes in assumptions could materially impact retirement and other post-retirement benefit obligations and related future expenses. (Note 19).

The retirement benefit obligation as of December 31, 2024, and the pre-retirement benefit costs for 2024, have been prepared using the assumptions determined as of December 31, 2024.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the exchange rates prevailing at the balance sheet dates. Exchange gain or losses arising from the settlement and translation of foreign currency items have been included under financial income/expenses and other operating income/expenses in the consolidated statements of profit or loss, except for the effective portion of the foreign currency hedge of net investments in foreign operations.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)****Revenue recognition**

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following main principles:

- (a) Identification of customer contracts,
- (b) Identification of performance obligations,
- (c) Determination of transaction price in the contract,
- (d) Allocation of price to performance obligations,
- (e) Recognition of revenue when the performance obligations are fulfilled.

Group recognized revenue from its customers only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- (b) Group can identify each party's rights regarding the goods or services to be transferred,
- (c) Group can identify the payment terms for the goods or services to be transferred;
- (d) The contract has commercial substance,
- (e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Revenue from sale of goods

Group recognizes revenue based on the sale of white goods, consumer electronics, air conditioners and home appliance. Revenue is recognized when the control of the goods is transferred to the customer. In addition, Group provides legal warranty commitment to its customers depending on the type of goods and the location of sale between 1-5 years. These legal warranty commitments are mandatory by regulations, have not a separate price apart from the good and are not separately sold. Therefore, they are not treated as a separate good or service apart from the sale of good.

Revenue from sale of extended warranty

Group sells extended warranty to its customer for the period after the termination of legal warranty provided for all goods. The price of extended warranty is determined separately from the price of the goods and it is a separate performance obligation in the contract. Therefore, Group treats the service that will be provided due to the sale of extended warranty as a separate performance obligation.

Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. Group delivers the control of services related to the sale of extended warranty over time and it fulfills the performance obligation of extended warranty over time. Therefore, Group measures the delivery status of its performance obligation and recognize revenue in the consolidated financial statements accordingly (Note 25). Group recognizes revenue from the sale of goods in the consolidated financial statements when the control of the good is transferred to the customer.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)**

When another party is involved in providing goods or services to a customer, the group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The group is a principal if it controls a promised good or service before the group transfers the good or service to a customer. When a group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The group is an agent if its performance obligation is to arrange for the provision of goods or services by another party.

Group recognizes revenue when it has right to collect the consideration which is equal to the price of performance obligation fulfilled by the perspective of customer (after the delivery of goods) in an amount of its right to invoice. Group expects that the difference between the timing of the transfer of goods of services determined at the beginning of the contact and the timing of the collection of transaction price by the customer does not differ more than one year and therefore transaction price does not contain a significant finance component.

Transaction price varies due to favors like discounts and rebates provided to the customers. Transaction price is determined based on the most likely amount method since Group provides bonus premium to its customers if the customers achieves the limit of sale.

Group pays customer premiums to its dealers based on their annual revenue performance results. Amounts calculated as of the balance sheet date are recognized in other short-term liabilities in the balance sheet and in revenue as discounts in revenue in the statement of profit or loss.

Group does not have any contract assets related to the contracts with customers and any expenses that can be capitalized in accordance with these contracts.

Incentives for investments, research, and development activities

Gains arising from incentives for investment and research and development activities together with government grants are recognized when there is a reasonable assurance for the necessary conditions to be fulfilled and incentive to be acquired by the Group. Vested government grants related with expense or capitalization realized in previous accounting periods, are recognized in statements of profit or loss when collectible and grants relating to capital assets are accounted for as deferred income in the consolidated balance sheet and are credited to consolidated income statement on a straight-line basis over the expected lives of related assets.

Dividends

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

Paid-in capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

Share premium represents differences resulting from the sale of the Company's Subsidiaries' and Associates' shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. No provision is recognized for operating losses expected in later periods.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.3 Summary of significant accounting policies (Continued)****Warranty expenses**

Warranty expenses includes repair and maintenance expenses for products sold and labor and material costs of authorized services' for products under the scope of the warranty terms without any charge to the customers. Based on estimations using past statistical information warranty services and returns of products, warranty expenses are recognized for the products sold in the period for possible utilizations of warranties in the following future periods (Note 18).

Assembly provisions

Assembly provision includes provision provided for the marketing expenses incurred for the assembly of products bought by the end users. This provision is calculated based on the past statistical information and projections for the future (Note 18).

Provisions for Restructuring

The Group recognizes provisions for restructuring in accordance with TAS 37 Provisions Standard. These provisions are recognised when an irreversible obligation has been incurred, a detailed plan has been prepared, and the plan has been communicated to the relevant parties.

The provisions cover costs related to terminations, severance payments, and other obligations arising during the restructuring process. Provisions are not recognised for future operational losses. The measurement is based on the best estimate of the likely outcome. Provisions are reviewed regularly, and the obligation amount is remeasured using the best estimate.

Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and are disclosed as contingent assets or liabilities (Note 17).

Contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. If an outflow of resources has become probable, contingent liabilities are recognised in the financial statements. Contingent assets are not recognised in financial statements but disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

Earnings per share

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period. Treasury shares are also included in calculation per share. (Note 33)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the steering committee that makes strategic decisions. Board of Directors has been identified as the sole authority to decide on the operations (Note 4).

Reporting of cash flows

In the consolidated statements of cash flows, cash flows are classified and reported according to their operating, investing and financing activities.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.4 Critical accounting estimates, judgments, and assumptions**

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal the related to actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment test for intangible assets which have indefinite useful lives and goodwill:

In accordance with the accounting policy for the intangible assets which have indefinite useful lives and goodwill stated in Note 2.3, these assets are reviewed for impairment annually or whenever events or changes in circumstances indicate impairment by the Group. The recoverable amounts of the cash-generating units are determined using the methods of value in use and royalty relief. Certain estimates were used in these calculations (Notes 14 and 15). Impairment was not identified as a result of these tests.

Provision for employee termination benefits

To calculate the employee benefit provision actuarial assumptions relating to turnover ratio, discount rate and salary increase are used. Calculation details are given in Employee benefits disclosure (Note 19).

Useful lives

The Group capitalizes the tangible and intangible assets in accordance with TAS 16 and TAS 38. The Group defines useful life of its assets in terms of the assets expected utility to the Group. Economic useful lives accepted by the Group is disclosed in Note 2.3.

Warranty expenses

The Group recognizes warranty provisions for products under the scope of the warranty terms based the estimations using past statistical information (Note 18).

NOTE 3 - BUSINESS COMBINATION

i) In order to contribute to the Group's growth target in the European region, as stated in the material event disclosure dated January 17, 2023, and in line with Arçelik's growth strategy, a Shareholder Agreement has been signed between Arçelik and Whirlpool Corporation for the merger of all of Whirlpool Corporation's production, sales, and marketing subsidiaries operating in Europe under a new company, Beko Europe BV, which will be controlled by Arçelik with a 75% shareholding, and Whirlpool Corporation holding a non-controlling interest with a 25% shareholding. Additionally, as of April 1, 2024, the relevant agreements, including the Partnership Agreement, Brand License Agreements, and agreements related to operations and supply principles, have been signed in accordance with the principles mentioned in the material event disclosure dated January 17, 2023. Thus, as of April 1, 2024, the control of all production, sales, and marketing subsidiaries of Whirlpool Corporation operating in Europe has been transferred to Arçelik.

The purchase price for this transaction represents 25% of the fair values of all the production, sales, and marketing subsidiaries operating in Europe prior to the transfer by Arçelik. As part of the allocation of the purchase price conducted by an independent consulting firm, TRY 4,827,596 is recognized as the purchase price under equity, while TRY 1,476,296 is classified as a contingent liability and reported under long-term liabilities. The total purchase price is TRY 6,303,892.

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NOTE 3 - BUSINESS COMBINATION (Continued)

The purchase price, the fair values of the acquired assets and liabilities used provisionally within the scope of TFRS 3 are summarized in the table below:

	1 April 2024
Purchase price - cash	4,827,596
Contingent purchase price (*)	1,476,296
Total purchase price	6,303,892
Cash and cash equivalents	9,263,057
Trade receivables	26,754,638
Provision for expected credit loss (Note 9)	(1,072,961)
Derivative instruments	52,520
Inventories	20,204,646
Provision for inventories (Note 11)	(1,171,989)
Other current assets	4,728,740
Property, plant, and equipment (Note 13)	32,980,874
Intangible assets (Note 14)	8,014,549
Deferred tax assets (Note 32)	13,771,811
Other non-current assets	1,265,279
Trade payables and other payables	(55,663,004)
Deferred tax liabilities (Note 32)	(2,258,554)
Lease liabilities (Note 7)	(6,368,974)
Retirement benefit obligation provision (Note 19)	(6,072,261)
Other liabilities	(16,312,222)
Total net identifiable assets (100%)	28,116,149
Net assets corresponding to the acquired 75% stake	21,087,112
Non-controlling interest fair value adjustment (**)	1,964,237
Representing the 75% share acquired	23,051,349
Income from bargained acquisition (Note 27) (***)	(16,747,457)
Total consideration transferred	6,303,892

(*) The contingent purchase price refers to the amounts to be paid if Beko Europe B.V. benefits from unused tax losses and tax incentives in Italy and Poland. The amounts likely to be paid are recorded as contingent liabilities under business combinations.

(**) According to TFRS 3, non-controlling interests can be measured based on the proportional share of net assets or fair value. The non-controlling interests arising from this acquisition have been recorded at their fair values, which have been calculated using the discounted cash flow method. The difference between the proportional share of net assets and fair value has been included in the calculation of the bargained price.

(***) The gain of TRY 16,747,457 resulting from the bargained acquisition is recognized under "Other Income from Operating Activities" (Note 27)

As of December 31, 2024, the total costs associated with the acquisition of Whirlpool (MENA⁽¹⁾ and Europe) and included in the general and administrative expenses of Arçelik Group's consolidated income statement amount to TRY 629,193. (December 2023: TRY 1,232,738.)

(1) Refers to the two subsidiaries named Whirlpool MEEA DMCC and Whirlpool Maroc S.a r.l.

If Whirlpool Euro Holdings BV had been included in the consolidation as of January 1, 2024, the impact on the Group's consolidated statement of profit or loss would have been TRY 32,271,517 and TRY (2,299,586) for revenue and net profit for the period, respectively.

In the consolidated statement of profit or loss, Whirlpool Euro Holding BV's share of sales revenue generated after the acquisition date amounted to TRY 88,003,227, while its contribution to the net profit for the period was TRY (17,246,067).

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NOTE 3 - BUSINESS COMBINATION (Continued)

The details of the cash inflow resulting from the acquisition are as follows:

	1 April 2024
Total consideration in cash	-
Cash and cash equivalents - acquired	9,263,057
Cash inflow due to acquisition of subsidiary (net)	9,263,057

ii) To contribute to the Group's growth target in the Middle East and North Africa region, as stated in the announcements dated January 17, 2023 and June 23, 2023, all shares of Whirlpool's two subsidiaries, Whirlpool MEEA DMCC and Whirlpool Maroc S.a r.l., operating in the Middle East and North Africa ("MENA") market, established in the United Arab Emirates and Morocco, and Whirlpool's operations in the MENA region, were acquired by Beko B.V. on April 1, 2024, following the closing transactions stipulated in the MENA share purchase agreement.

In the consolidated financial statements dated December 31, 2024, the net assets of the businesses related to the Whirlpool MENA acquisition have been accounted for in accordance with the provisions of TFRS 3 "Business Combinations Standard" within the scope of the purchase price allocation studies conducted by the independent consultant firm.

Additionally, as of April 1, 2024, a Partnership Agreement, Trademark License Agreements, and other agreements related to operations and supply terms were signed between Beko B.V. and Whirlpool Corporation, in accordance with the principles outlined in the January 17, 2023, material event disclosure.

The purchase price, the fair values of the acquired assets and liabilities used provisionally within the scope of TFRS 3 are summarized in the table below:

	1 April 2024
Cash and cash equivalents	723,650
Trade receivables	619,075
Provision for expected credit loss (Note 9)	(43,871)
Inventories	454,152
Provision for inventories (Note 11)	(3,616)
Other current assets	35,357
Property, plant and equipment (Note 13)	13,135
Intangible assets (Note 14)	409,719
Deferred tax assets (Note 32)	37,147
Trade payables and other payables	(698,945)
Deferred tax liabilities (Note 32)	(93,055)
Other liabilities	(206,476)
Total net identifiable assets (100%)	1,246,272
Income from bargained acquisition (Note 27) ^(*)	(275,577)
Total consideration transferred	970,695

^(*)The difference between the total amount attributable to the net assets and the purchase price has been calculated, resulting in the recognition of negative goodwill.

If the relevant companies had been included in the consolidation as of January 1, 2024, the Group's consolidated income statement would have reflected an additional TRY 1,379,456 in revenue and TRY (56,111) in net profit for the period.

In the consolidated statement of profit or loss, Whirlpool Euro Holding BV's share of sales revenue generated after the acquisition date amounted to TRY 3,019,239, while its contribution to the net profit for the period was TRY 47,611.

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NOTE 3 - BUSINESS COMBINATION (Continued)

The details of the cash inflow resulting from the acquisition are as follows:

	1 April 2024
Total consideration transferred - cash	(970,695)
Cash and cash equivalents - acquired	723,650
Net cash outflow from the acquisition	(247,045)

NOTE 4 - SEGMENT REPORTING

The reportable segments of Arçelik have been organized by management into white goods and consumer electronics. White goods reportable segment comprises washing machines, dryers, dish washers, refrigerators, ovens, cookers 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, home appliances and furniture and kitchen gadgets except products included in white goods and consumer electronics.

Arçelik's reportable segments are strategic business units that present various products and services. Each of these segments is administrated separately due to the necessity of different technologies and marketing strategies.

Information about the operational segments is as follows. Gross profitability is evaluated regarding the performance of the operational segments.

a) Operational segments which have been prepared in accordance with the reportable segments for the year ended December 31, 2024, are as follows:

	White goods	Consumer electronics	Other	Total
Net sales ^(*)	329,738,883	22,155,743	76,653,597	428,548,223
Gross profit	89,246,167	3,255,155	25,600,714	118,102,036
Depreciation and amortization	15,445,408	616,992	582,760	16,645,160
Capital expenditures	21,852,689	1,292,754	745,762	23,891,205

^(*) The Group recognised net sales amounting to TRY 422,697,955 with respect to the performance obligations satisfied at a point in time for the year ended December 31, 2024 (2023: TRY 370,791,912).

b) Operational segments which have been prepared in accordance with the reportable segments for the year ended December 31, 2023, are as follows:

	White goods	Consumer electronics	Other	Total
Net sales	284,676,671	27,322,635	59,203,962	371,203,268
Gross profit	87,826,700	3,716,103	17,287,032	108,829,835
Depreciation and amortization	11,552,698	633,229	492,472	12,678,399
Capital expenditures	16,981,716	1,254,768	392,509	18,628,993

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NOTE 5 - CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash in hand	95,252	32,375
Cash at banks		
- time deposits	39,649,344	53,095,485
- demand deposits	9,527,714	15,466,677
Cheques and notes	341,017	513,590
Other ^(*)	1,123,288	1,314,904
Cash and cash equivalents in cash flow statement	50,736,615	70,423,031
Interest income accruals	79,210	21,947
	50,815,825	70,444,978

^(*) As of December 31, 2024, TRY 1,017,231 consists of credit card receivables with a maturity of less than 3 months (December 31, 2023: TRY 1,230,006).

The maturity breakdown of cash and cash equivalents is as follows:

Up to 30 days	45,859,327	68,915,946
30-90 days	4,956,498	1,529,032
	50,815,825	70,444,978

NOTE 6 - FINANCIAL INVESTMENTS***Fair value gain/losses of financial assets reflected to other comprehensive income***

	December 31, 2024	December 31, 2023
Financial assets that its fair value gain/losses of reflected to other comprehensive income	234,939	204,642
Total	234,939	204,642

The details of financial investments for the years ended December 31, are as follows:

	2024	2023
As of January 1	204,642	209,067
Additions	167,966	16,936
Disposal	(22,590)	-
Change in fair value	1,268	(21,497)
Currency translation differences	(3,801)	136
Impairment (Note 28)	(112,546)	-
As of December 31	234,939	204,642

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NOTE 7 - BORROWINGS**a) Short-term borrowings**

	December 31, 2024	December 31, 2023
Short-term bank borrowings	34,798,002	56,688,390
Short-term lease liabilities	2,442,191	1,369,371
Payables due to factoring activities	1,051,923	1,005,371
Other short-term borrowings ^(*)	13,086,082	15,273,300
Total short-term borrowings	51,378,198	74,336,432
Short-term portion of long-term bank borrowings and interest accruals	5,764,070	6,858,961
Short term portion of long-term bond issued and interest accruals	5,124,522	1,747,897
Total short-term portion of long-term borrowings	10,888,592	8,606,858

^(*) Other short-term borrowings include financial liabilities arising from credit card use.

As of December 31, 2024, the details of short-term bank borrowings and credit cards borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Turkish Lira	30.9	17,655,884,032	17,655,884
US Dollar	5.8	260,185,306	9,164,585
Euro	5.9	235,394,118	8,649,063
Bangladeshi Taka	12.5	11,904,831,347	3,512,163
Pakistani Rupee	15.5	20,693,307,319	2,602,804
Russian Ruble	23.2	4,821,907,104	1,614,471
Thai Baht	5.6	1,168,318,571	1,208,976
Australian Dollar	9.0	32,215,764	705,651
Romanian Lei	7.6	70,195,921	515,336
Norwegian Krone	6.1	161,416,770	499,365
Chinese Yuan	3.7	81,638,785	391,743
Swedish Krona	4.0	112,270,896	358,032
Moroccan Dirham	6.0	100,604,843	351,312
Malaysian Ringgit	6.6	31,436,518	248,220
Indonesian Rupiah	9.3	99,606,224,859	218,138
Czech Koruna	8.8	127,492,393	186,241
Swiss Franc	5.8	53,902	2,100
			47,884,084

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NOTE 7 - BORROWINGS (Continued)**a) Short-term borrowings (Continued)**

As of December 31, 2023, the details of short-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	5.9	879,714,494	41,372,799
Turkish Lira	40.1	10,442,233,226	15,076,370
Bangladeshi Taka	9.3	8,290,029,471	3,213,329
US Dollar	5.8	66,381,706	2,821,390
Polish Zloty	7.1	200,344,769	2,174,824
Pakistani Rupee	23.2	14,095,040,024	2,137,794
Russian Ruble	18.2	2,162,570,308	1,018,211
Swedish Krona	4.0	225,086,040	952,149
British Pound	6.2	16,617,394	898,300
Australian Dollar	6.1	30,321,067	876,476
Thai Baht	5.5	326,982,692	405,603
Malaysian Ringgit	6.0	31,999,012	296,252
Indonesian Rupiah	9.5	91,260,500,000	251,664
Norwegian Krone	6.1	48,905,999	203,773
Czech Koruna	5.8	77,724,132	148,172
Romanian Lei	8.7	10,100,000	94,949
Chinese Yuan	4.7	3,300,036	19,635
			71,961,690

As of December 31, 2024, the details of payables due to factoring activities are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.6	15,313,406	562,659
Polish Zloty	6.8	35,080,673	303,122
British Pound	6.3	4,206,883	186,137
Russian Ruble	21.5	15,588	5
			1,051,923

As of December 31, 2023, the details of payables due to factoring activities are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
British Pound	6.2	4,778,851	487,577
Polish Zloty	6.8	44,915,601	258,334
Euro	5.1	5,406,677	254,276
Russian Ruble	14.5	2,482,398	4,015
Swiss Franc	7.0	79,532	1,169
			1,005,371

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NOTE 7 - BORROWINGS (Continued)**b) Long-term borrowings**

	December 31, 2024	December 31, 2023
Long-term bank borrowings	37.031.512	22,443,407
Long-term bonds issued (**)	32,275,420	37,616,035
Long-term lease liabilities	6,469,358	4,133,033
	75.776.290	64,192,475

(**) Long term bond issued:

2024:

The Company issued bond amounting to TRY 2,000,000 quoted on January 23, 2024 in Borsa İstanbul with fixed interest coupon payments every 3 months. Maturity of the bonds is January 21, 2025, and the coupon rate is 44%.

The Company issued bond amounting to TRY 2,000,000 quoted on February 16, 2024 in Borsa İstanbul with fixed interest coupon payments every 3 months. Maturity of the bonds is February 14, 2025, and the coupon rate is 47%.

The Company issued bond amounting to TRY 1,875,500 thousands quoted on April 8, 2024 in Borsa İstanbul fixed interest coupon payments every 3 months. Maturity of the bonds is April 6, 2026, and the coupon rate is 46.5%.

Before 2024:

The Company issued bond amounting to USD 400 million quoted on September 25, 2023 and USD 100 million quoted on November 17, 2023 in Euronext Dublin Stock Exchange with semi-annually interest payment. Maturity of the bonds is September 25, 2028, and the coupon rate is 8.5%.

The company issued green bond amounting to EUR 350 million, quoted in Ireland Stock Exchange with annual interest payment on May 27, 2021. Maturity of the bond is May 27, 2026 and coupon rate is 3%, The Group has a commitment to finance its projects within the scope of the Green Financing Framework, which it has created based on its sustainability strategy, with the funds obtained from the green bond issuance.

As of December 31, 2024, the details of the long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.6	939,668,862	34,524,270
South Africa Rand	9.5	1,764,874,728	3,317,612
US Dollar	8.4	50,843,606	1,790,880
Pakistani Rupee	17.2	7,716,524,926	970,584
Bangladeshi Taka	12.5	2,669,510,290	787,560
Romanian Lei	7.5	103,261,941	758,087
British Pound	7.4	10,000,000	442,458
Turkish Lira	37.4	204,130,933	204,131
			42,795,582
Short-term portion of long-term loans and interest accruals			(5.764.070)
			37.031.512

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NOTE 7 - BORROWINGS (Continued)**b) Long-term borrowings (Continued)**

As of December 31, 2023, the details of the long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.8	441,113,604	20,745,485
South Africa Rand	9.5	1,446,071,562	3,333,230
US Dollar	9.2	50,928,713	2,164,599
Pakistani Rupee	22.6	7,991,914,521	1,212,134
Romanian Lei	7.4	77,703,397	730,484
British Pound	7.5	10,000,000	540,579
Turkish Lira	39.8	312,972,830	451,867
Russian Ruble	18.0	263,340,822	123,990
			29,302,368
Short-term portion of long-term loans and interest accruals			(6,858,961)
			22,443,407

As of December 31, 2024, detail of discounted amounts of long-term bonds issued is given below:

Currency	Effective interest rate per annum (%)	Original currency	TRY equivalent
US Dollar	8.5	511,505,525	17,952,711
Euro	3	356,271,233	13,088,626
Turkish Lira	46.4	6,358,605,127	6,358,605
			37,399,942
Short-term portion of long-term bonds issued and interest accruals			(5,124,522)
			32,275,420

As of December 31, 2023, detail of discounted amounts of long-term bonds issued is given below:

Currency	Effective interest rate per annum (%)	Original currency	TRY Equivalent
US Dollar	8.5	508,493,572	21,612,257
Euro	3	356,202,655	16,752,141
Turkish Lira	28.3	692,300,000	999,534
			39,363,932
Interest accruals of long-term bonds issued			(1,747,897)
			37,616,035

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NOTE 7 - BORROWINGS (Continued)**b) Long-term borrowings (Continued)**

The payment schedule of the principal amounts of long-term bank borrowings and bonds is as follows:

	December 31, 2024	December 31, 2023
2025	-	4,808,117
2026	19,828,945	20,996,848
2027 to 2034	49,477,987	34,254,477
	69,306,932	60,059,442

The analysis of borrowings and bonds issued in terms of periods remaining to contractual re-pricing dates is as follows:

	December 31, 2024	December 31, 2023
Up to 3 months	28,858,482	54,212,582
3 - 12 months	26,892,505	24,272,052
1-5 years	68,719,708	54,958,646
Over 5 years	1,369,508	4,948,379
	125,840,203	138,391,659

As of December 31, 2024, and 2023, financial debt reconciliation is as follows:

2024	Lease Liabilities	Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
Financial debt as of January 1	5,502,404	81,573,919	60,059,442	147,135,765
Cash flows	(4,383,374)	510,130	24,982,696	21,109,452
Transfer	-	3,150,063	(3,150,063)	-
Changes in interest accruals	804,075	49,135	-	853,210
Changes in factoring liabilities	-	46,552	-	46,552
Changes in lease liabilities	2,799,960	-	-	2,799,960
Acquisitions (Note 3)	6,368,974	-	-	6,368,974
Currency translation adjustments	(1,962,172)	(7,066,366)	3,930,471	(5,098,067)
Inflation adjustments	(218,318)	(18,438,834)	(16,515,614)	(35,172,766)
Financial debt as of December 31	8,911,549	59,824,599	69,306,932	138,043,080

2023	Lease Liabilities	Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
Financial debt as of January 1	5,456,524	82,383,078	34,532,653	122,372,255
Cash flows	(2,790,664)	22,297,159	30,926,856	50,433,351
Transfer	-	1,601,621	(1,601,621)	-
Changes in interest accruals	473,675	(655,929)	-	(182,254)
Changes in factoring liabilities	-	(321,622)	-	(321,622)
Changes in lease liabilities	2,769,908	-	-	2,769,908
Currency translation adjustments	(213,611)	8,374,213	12,578,742	20,739,344
Inflation adjustments	(193,428)	(32,104,601)	(16,377,188)	(48,675,217)
Financial debt as of December 31	5,502,404	81,573,919	60,059,442	147,135,765

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NOTE 8 - DERIVATIVE INSTRUMENTS

Valuation of outstanding derivative instruments which were transacted by the Group for foreign exchange risk management purposes are made through marketing to market value at the date of valuation and the fair value of these instruments are disclosed as asset or liability in the statement of financial position.

	December 31, 2024			December 31, 2023		
	Contract amount	Fair value assets/(liabilities)		Contract amount	Fair value assets/(liabilities)	
<u>Short-term derivative instruments</u>						
<i>Held for trading:</i>						
Foreign currency forward transactions	57,764,427	236,892	(249,530)	72,432,973	526,776	(131,819)
Foreign currency swap contracts	68,241,179	172,493	(77,551)	32,959,549	127,749	(53,666)
Short-term derivative instruments, net		409,385	(327,081)		654,525	(185,485)
<u>Long-term derivative instruments</u>						
<i>Cash flow hedge:</i>						
Interest rate swap contract ^(*)	13,755,094	34,852		19,859,435		(1,122,413)
Long-term derivative instruments, net		34,852				(1,122,413)

(*) The currency swap transaction is a swap transaction involving the exchange of a 400 million US dollar-denominated bond issued abroad on September 25, 2023, with a maturity date of September 25, 2028, for an Euro-denominated bond for the purpose of hedging against exchange rate risk.

The Group converted its USD 400 million nominal value bond issue into EUR through a foreign currency swap transaction. The foreign currency swap transaction is used as a hedging tool against parity risk exposure due to highly probable estimated EUR-based sales revenues and cash flow hedge accounting is applied. Accordingly, the amount of the related bond liability as of December 31, 2024 is TRY 14,089,320. The after-tax impact recorded in the "gains/(losses) from cash flow hedges" account in the other comprehensive income statement for the period ended December 31, 2024 related to this transaction is TRY 787,342.

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

	December 31, 2024	December 31, 2023
Short-term trade receivables:		
Trade receivables	90,598,112	92,234,994
Notes receivables	2,559,521	4,157,709
Cheques receivables	3,194,548	1,728,744
Short-term trade receivables (gross)	96,352,181	98,121,447
Provision for expected credit loss	(1,720,065)	(1,091,857)
Unearned credit finance income	(2,350,105)	(1,819,406)
Short-term trade receivables (net)	92,282,011	95,210,184

As of December 31, 2024, the Group has offsetted TRY 9,669,577 (December 31, 2023: TRY 9,426,270) from trade receivables that are collected from factoring companies as part of the non-recourse factoring.

In line with the general financial market convention in Pakistan, Dawlance has hypothecation on its trade receivables amounting to TRY 776,214 related with its local bank borrowings (December 31, 2023: TRY 522,113).

The movements of expected credit loss for the years ended December 31, are as follows:

	2024	2023
As of January, 1	1,091,857	1,813,029
Current year additions (Note 27)	307,613	299,528
Provisions no longer required (Note 27)	(121,671)	(48,738)
Acquisitions (Note 3)	1,116,832	5,341
Write-offs ^(*)	(184,081)	(700,208)
Currency translation differences	(430,123)	(141,076)
Inflation adjustments	(60,362)	(136,019)
As of December, 31	1,720,065	1,091,857

^(*) Doubtful receivables, for which no possibility of collection is foreseen, and no further cash inflow are expected, are written off from the records along with the related provisions.

Long-term trade receivables	December 31, 2024	December 31, 2023
Trade receivables	40,991	85,475
Unearned credit finance income	(6,142)	(36,210)
	34,849	49,265

	December 31, 2024	December 31, 2023
Short-term trade payables:		
Trade payables	91,606,359	67,090,692
Debt accruals	6,564,860	4,965,708
Unearned credit finance charges	(1,409,376)	(1,341,776)
	96,761,843	70,714,624

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NOTE 10 - OTHER PAYABLES

	December 31, 2024	December 31, 2023
Taxes and other deductions	5,039,129	5,074,847
Dividend payables to shareholders	41,586	51,516
Deposits and guarantees received	40,851	50,476
Other	708,247	599,817
	5,829,813	5,776,656

NOTE 11 - INVENTORIES

	December 31, 2024	December 31, 2023
Raw materials and supplies	31,694,764	27,696,441
Work in progress	2,386,110	2,278,004
Finished goods	31,295,159	37,957,626
Trade goods	7,696,910	1,496,953
Inventories (gross)	73,072,943	69,429,024
Provisions for impairment on inventories	(1,349,516)	(923,194)
Inventories (net)	71,723,427	68,505,830

In accordance with Pakistan financial market practices, Dawlance, a subsidiary of Arcelik has an inventory collateral amounting to TRY 730,042 for borrowings made from local banks (December 31, 2023: TRY 574,257).

Allocation of the provisions for impairment on inventories in terms of inventory type is as follows:

	December 31, 2024	December 31, 2023
Raw materials and supplies	(461,014)	(375,418)
Finished goods	(768,158)	(382,977)
Trade goods	(120,344)	(164,799)
	(1,349,516)	(923,194)

Movements of provisions for impairment on inventories for the periods ended December 31 are as follows:

	2024	2023
As of January 1	923,194	919,006
Current year additions (Note 26, 27) ^(*)	322,140	527,617
Realized due to sales of inventories (Note 26, 27) ^(*)	(793,256)	(330,475)
Acquisitions (Note 3)	1,175,605	-
Currency translation differences	(278,167)	(192,954)
As of December 31	1,349,516	923,194

^(*) Within the provisions made during the period, there is an impairment provision of TRY 92,184 related to restructuring expenses. For detailed information, Note 27 can be referred to.

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NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2024		December 31, 2023	
	%	TRY	%	TRY
Koç Finansman	47.0	1,044,390	47.0	902,688
Arçelik - LG	45.0	902,121	45.0	796,469
VoltBek	49.0	433,682	49.0	291,667
Ram Dış Ticaret	33.5	117,156	33.5	111,500
		2,497,349		2,102,324

The movements of associates for the years ended December 31, are as follows:

	2024	2023
As of January 1	2,102,324	2,959,673
Shares of income/loss of associates	(176,070)	(695,070)
Shares of other comprehensive income/loss of associates	(6,150)	(33,011)
Elimination of gross profit on inventories	(10,997)	30,901
Share participation in associates	526,203	-
Cash dividends from associates	(55,566)	(35,413)
Currency translation differences	117,605	(124,756)
As of December 31	2,497,349	2,102,324

Shares of income/loss from investments accounted for using the equity method:

	2024	2023
Koç Finansman	169,709	38,807
Arçelik - LG	122,124	(106,323)
Ram Dış Ticaret	33,880	48,067
VoltBek	(501,783)	(675,621)
	(176,070)	(695,070)

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

	January 1 2024	Additions	Disposals	Transfers (*)	Acquisitions (**)	Currency Translation Differences	December 31 2024
Cost							
Land	3,401,380	9,638	(1,895)	7,599	3,318,444	(897,617)	5,837,549
Land improvements	1,024,432	88,938	(54)	3,347	-	(12,071)	1,104,592
Buildings	30,748,117	3,745,079	(2,541,528)	2,452,719	15,236,342	(7,814,649)	41,826,080
Machinery, equipment and moulds	90,134,220	4,629,572	(1,616,045)	8,151,570	11,054,782	(13,355,023)	98,999,076
Motor vehicles and fixtures	19,447,134	1,700,200	(618,297)	(1,836,959)	510,284	(1,364,571)	17,837,791
Leasehold improvements	1,625,819	69,649	(40,518)	21,385	164,366	(220,198)	1,620,503
Construction in progress	8,959,246	10,906,539	-	(9,561,000)	2,709,791	(1,696,782)	11,317,794
Total	155,340,348	21,149,615	(4,818,337)	(761,339)	32,994,009	(25,360,911)	178,543,385
Accumulated depreciation:							
Land improvements	(755,278)	(22,559)	54	-	-	2,487	(775,296)
Buildings	(12,215,800)	(3,889,025)	1,759,411	(60,914)	-	2,899,745	(11,506,583)
Machinery, equipment and moulds	(63,829,612)	(7,119,556)	1,264,652	(2,219,394)	-	9,291,242	(62,612,668)
Motor vehicles and fixtures	(12,983,280)	(1,886,588)	483,250	2,025,717	-	681,824	(11,679,077)
Leasehold improvements	(1,176,787)	(121,012)	14,112	(16,471)	-	146,210	(1,153,948)
Total	(90,960,757)	(13,038,740)	3,521,479	(271,062)	-	13,021,508	(87,727,572)
Net book value	64,379,591	8,110,875	(1,296,858)	(1,032,401)	32,994,009	(12,339,403)	90,815,813

(*) The amount of TRY 1,032,401 has been transferred from property, plant and equipment to other intangible assets (Note 14).

(**) Due to acquisition of Whirlpool EMEA and Whirlpool MENA realized at April 1, 2024 (Note 3).

As at 31 December 2024, capitalized borrowing cost is TRY 327,482 (31 December 2023: TRY 134,855).

The total amount of depreciation expenses capitalized in 2024 is TRY 95,163. (2023: TRY 95,707).

There are no mortgages on property, plant and equipment as of December 31, 2024 (December 31, 2023: None).

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

As of December 31, 2024, and December 31, 2023 the details of right-of-use assets recognized in the consolidated financial statements are as follows:

	December 31, 2024	December 31, 2023
Land improvements	14,260	17,308
Buildings	8,238,749	5,168,400
Machinery, equipments and moulds	198,441	168,838
Motor vehicles	819,903	609,242
Total right-of-use	9,271,353	5,963,788

Additions to rights-to-use assets for the year ended December 31, 2024, TRY 3,311,321 (2023: TRY 3,359,676), depreciation expenses are TRY 3,949,570 (2023: TRY 2,519,040). The acquisition amount arising from business combinations is TRY 6,368,974.

	January 1 2023	Additions	Disposals	Transfer ^(*)	Acquisition ^(**)	Currency Translation Differences	December 31 2023
Cost							
Land	3,545,708	87,687	(4,479)	-	-	(227,536)	3,401,380
Land improvements	1,015,458	16,651	(6,624)	35	-	(1,088)	1,024,432
Buildings	31,797,303	3,044,676	(2,400,153)	120,114	53,113	(1,866,936)	30,748,117
Machinery, equipment and moulds	92,366,470	3,241,515	(4,323,690)	2,156,580	11,924	(3,318,579)	90,134,220
Motor vehicles and fixtures	18,507,491	2,212,326	(1,220,076)	394,775	30,799	(478,181)	19,447,134
Leasehold improvements	1,590,540	138,557	(41,558)	(23,606)	-	(38,114)	1,625,819
Construction in progress	3,889,321	8,205,675	-	(2,776,904)	-	(358,846)	8,959,246
Total	152,712,291	16,947,087	(7,996,580)	(129,006)	95,836	(6,289,280)	155,340,348

**Accumulated
depreciation:**

Land improvements	(732,377)	(28,743)	5,612	-	-	230	(755,278)
Buildings	(12,080,136)	(2,485,706)	1,799,202	-	-	550,840	(12,215,800)
Machinery, equipment and moulds	(64,612,453)	(5,308,759)	3,906,751	-	-	2,184,849	(63,829,612)
Motor vehicles and fixtures	(12,239,219)	(1,882,582)	835,341	-	-	303,180	(12,983,280)
Leasehold improvements	(1,164,988)	(74,043)	37,544	-	-	24,700	(1,176,787)
Total	(90,829,173)	(9,779,833)	6,584,450	-	-	3,063,799	(90,960,757)
Net book value	61,883,118	7,167,254	(1,412,130)	(129,006)	95,836	(3,225,481)	64,379,591

^(*) The amount of TRY 129,006 has been transferred from property, plant and equipment to other intangible assets (Note 14).

^(**) Due to acquisition of Asogem N.V. and Asogem Nederland B.V. completed at January 2, 2023.

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NOTE 14 - OTHER INTANGIBLE ASSETS

	January 1 2024	Additions	Disposals	Transfer (*)	Acquisition (**)	Currency Translation Differences	December 31, 2024
Cost:							
Brands	9,304,407	-	-	-	4,085,783	(2,104,326)	11,285,864
Development costs	24,398,754	5,476,865	-	(29,223)	-	(158,030)	29,688,366
Computer software and rights	7,866,289	576,046	(34,613)	1,061,624	3,942,239	(3,777,167)	9,634,418
Trademark licenses and patents	415,092	-	(546)	-	-	(97,305)	317,241
Customer relationships	9,860,613	-	-	-	396,246	(1,814,664)	8,442,195
Total	51,845,155	6,052,911	(35,159)	1,032,401	8,424,268	(7,951,492)	59,368,084
Accumulated depreciation:							
Development costs	(15,346,635)	(1,495,729)	-	-	-	5,140	(16,837,224)
Computer software and rights	(4,885,318)	(1,260,360)	31,873	-	-	3,041,884	(3,071,921)
Trademark licenses and patents	(164,391)	(32,584)	546	-	-	42,667	(153,762)
Customer relationships	(2,718,295)	(817,747)	-	-	-	544,427	(2,991,615)
Total	(23,114,639)	(3,606,420)	32,419	-	-	3,634,118	(23,054,522)
Net book value	28,730,516	2,446,491	(2,740)	1,032,401	8,424,268	(4,317,374)	36,313,562

(*) An amount of TRY 1,032,401 has been transferred from property, plant and equipment to other intangible assets (Note 13).

(**) Due to acquisition of Whirlpool EMEA ve Whirlpool MENA realized at April 1, 2024 (Note 3).

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NOTE 14 - OTHER INTANGIBLE ASSETS (Continued)

The breakdown of depreciation and amortization by functional expense is summarized in a table within Note 26.

	January 1 2023	Additions	Disposals	Transfer ^(*)	Acquisition ^(**)	Currency Translation Differences	December 31, 2023
Cost:							
Brands	9,909,616	-	-	-	-	(605,209)	9,304,407
Development costs	20,498,257	4,364,122	(576,715)	122,092	-	(9,002)	24,398,754
Computer software and rights	7,446,967	671,493	(147,053)	6,914	1,955	(113,987)	7,866,289
Trademark licenses and patents	564,930	5,967	(2,870)	-	-	(152,935)	415,092
Customer relationships	9,775,534	-	-	-	944,933	(859,854)	9,860,613
Total	48,195,304	5,041,582	(726,638)	129,006	946,888	(1,740,987)	51,845,155
Accumulated depreciation:							
Development costs	(13,931,763)	(1,426,907)	11,572	-	-	463	(15,346,635)
Computer software and rights	(4,538,810)	(514,585)	141,428	-	-	26,649	(4,885,318)
Trademark licenses and patents	(137,733)	(42,533)	2,639	-	-	13,236	(164,391)
Customer relationships	(2,017,344)	(914,541)	--	-	-	213,590	(2,718,295)
Total	(20,625,650)	(2,898,566)	155,639	-	-	253,938	(23,114,639)
Net book value	27,569,654	2,143,016	(570,999)	129,006	946,888	(1,487,049)	28,730,516

^(*) An amount of TRY 129,006 has been transferred from property, plant and equipment to other intangible assets (Note 13).^(**) Due to acquisition of Asogem N.V. and Asogem Nederland B.V. completed at January 2, 2023.

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NOTE 14 - OTHER INTANGIBLE ASSETS (Continued)

The carrying values of the brands of the Group are as below:

	December 31, 2024	December 31, 2023
Grundig (*)	3,162,172	4,058,548
Defy (*)	1,959,137	2,330,598
Hotpoint (**)	1,619,272	-
Beko	1,617,622	1,617,622
Indesit (**)	903,185	-
Dawlance (*)	896,267	1,038,582
Bauknecht (**)	847,432	-
Leisure	135,336	181,503
Bloomberg	77,528	77,528
Privileg (**)	67,871	-
Other	42	26
	11,285,864	9,304,407

(*) The amounts in the original currency of the brands are equal, and the changes between the years are solely attributable to foreign currency translation differences and index effects.

(**) The relevant brands were added as part of the business combination dated April 1, 2024.

Brands impairment test

As of December 31, 2024, the brands have been subjected to an impairment test using the royalty relief method. In determining the value of the brands, sales forecasts based on financial plans covering five-year periods, deemed appropriate by management, have been utilized. Sales forecasts extending beyond the five-year periods have been calculated using an expected growth rate ranging from 3.0% to 6.5%. Estimated royalty revenues have been determined by applying royalty rates varying between 2.0% and 3.0% to the sales forecasts. The royalty revenues calculated using this method have been discounted using post-tax rates ranging from 8.3% to 14.9%.

The total fair value calculated for the brands is approximately 7.1 times the carrying amount. If the post-tax discount rate used in the fair value assessment is increased by 1.0%, the fair value exceeds the carrying amount by more than 6 times. Furthermore, sensitivity analyses conducted have not identified any impairment.

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NOTE 15 - GOODWILL

	2024	2023
As of January 1	10,495,331	10,902,685
Acquisitions	-	498,326
Currency translation differences	(1,948,432)	(905,680)
As of December 31	8,546,899	10,495,331

Details of goodwill are as follows:

	December 31, 2024	December 31, 2023
Hitachi	4,800,183	5,792,184
Defy	1,527,779	1,873,360
Singer	1,119,355	1,470,671
Dawlance	654,267	788,938
Asogem	405,591	519,143
Grundig	39,724	51,035
	8,546,899	10,495,331

Goodwill impairment test

Goodwill is subject to impairment test every year. The recoverable amounts of cash generating units are determined on value in use basis.

Value in use is determined by discounting the expected future cash flows to be generated by the cash-generating unit. The below key assumptions are used in the calculation of the value in use as of December 31, 2024.

The projection period for the purposes of goodwill impairment testing is approved by the management as 5 years between January 1, 2025 and December 31, 2029.

Cash flows for further periods (perpetuity) were extrapolated using a constant growth rate of 1.0% - 6.5% which does not exceed the estimated average growth rate of economy of the country.

Weighted average cost of capital rate of 11% - 14.9% is used as after-tax discount rate in order to calculate the recoverable amount of the unit.

The post-tax rate was adjusted considering the tax cash outflows and other future tax cash flows and differences between the cost of the assets and their tax bases.

Defy Group operations as a cash generating unit and sensitivity to the changes in assumptions in impairment test

Recoverable value of cash generating unit is 18.2% above of goodwill included book value of related cash generating unit. In the calculation of the present value of future cash flows, estimations on earnings before interest tax depreciation amortization ("EBITDA"), long term growth rate and discount rates are taken into account.

EBITDA growth expectations

In original assumption, five-year compound average growth rate of EBITDA is 13.1%. Had the compound average growth rate been assumed to be 12.1%, the recoverable amount would have been calculated as 4.5% above the goodwill included book value of cash generating unit and resulting no impairment provision.

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NOTE 15 - GOODWILL (Continued)

Long term growth rate

Originally, the long-term growth rate is assumed to be 6.5%. Had the rate been assumed to be 5.5%, the recoverable amount would have been 4.5% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

Discount rate

Originally, the discount rate is assumed to be 13.9%. Had the rate been assumed to be 14.9%, the recoverable amount would have been 2.7% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

Dawlance Group operations as a cash generating unit and sensitivity to the changes in assumptions in impairment test

Recoverable value of cash generating unit is 47.7% above of goodwill included book value of related cash generating unit. In the calculation of the present value of future cash flows, estimations on earnings before interest, tax, depreciation, and amortization ("EBITDA"), long term growth rate and discount rates are taken into account.

EBITDA growth expectations

In original assumption, five-year compound average growth rate of EBITDA is 25.8%. Had the compound average growth rate been assumed to be 24.8%, the recoverable amount would have been calculated as 56.0% above the goodwill included book value of cash generating unit and resulting no impairment provision.

Long term growth rate

Originally, the long-term growth rate is assumed to be 4.5%. Had the rate been assumed to be 3.5%, the recoverable amount would have been 37.8% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

Discount rate

Originally, the discount rate is assumed to be 14.9%. Had the rate been assumed to be 15.9%, the recoverable amount would have been 57.1% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

Hitachi Group operations as a cash generating unit and sensitivity to the changes in assumptions in impairment test

Recoverable value of cash generating unit is 78.4% above of goodwill included book value of related cash generating unit. In the calculation of the present value of future cash flows, estimations on earnings before interest tax depreciation amortization ("EBITDA"), long term growth rate and discount rates are taken into account.

EBITDA growth expectations

In original assumption, five-year compound average growth rate of EBITDA is 11%. Had the compound average growth rate been assumed to be 10%, the recoverable amount would have been calculated as 85.9% above the goodwill included book value of cash generating unit and resulting no impairment provision.

Long term growth rate

Originally, the long-term growth rate is assumed to be 1%. Had the rate been assumed to be 0%, the recoverable amount would have been 30.5% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

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NOTE 15 - GOODWILL (Continued)

Discount rate

Originally, the discount rate is assumed to be 11%. Had the rate been assumed to be 12%, the recoverable amount would have been 31.7% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

Singer Group operations as a cash generating unit in impairment test

The Group used the market value calculated over Singer's share price traded on the Bangladesh Stock Exchange as of December 31, 2024, in order to test the impairment of the goodwill generated during the acquisition of Singer, its public affiliate. As of December 31, 2024, the market value of the company is 24.9% above the total of goodwill and book value and no provision for impairment is required. In case the value of the mentioned shares decreases by 20%, the market value of the company remains 16.2% above the total of goodwill and book value and no provision for impairment is required.

NOTE 16 - GOVERNMENT GRANTS

There are investment incentive certificates to which the Company has been entitled by the official authorities in connection with certain capital expenditures. The grants obtained by the Company in nature are as follows:

- a) 100% exemption from customs duty on machinery and equipment to be imported,
- b) Value-added tax exemption with respect to purchases of investment goods both from domestic and export markets,
- c) Incentives under the jurisdiction of the research and development law (100% corporate tax exemption, Social Security Institution incentives, etc.),
- d) Inward processing permission certificates,
- e) Cash refund from Tübitak - Teydeb for research and development expenses,
- f) Taxes and funds exemptions for R&D centres which are regulated under research and development law.
- g) Reduced corporate tax,
- h) Employer's share of insurance premium support,
- i) Brand support incentive (known as "Turquality") given by Republic of Turkey Ministry of Trade.
- j) Grant has been received from the United Nations Industrial Development Organization (UNIDO) and from the Department of Trade and Industry of Romania and Republic of South Africa for the purchase of certain items of plant and equipment.

Grants which are accounted for under other income from operating activities for year ended December 31, 2023 are as follows:

- i) Research and development incentive premiums received or confirmed to be received amounts to TRY 101,522 (December 31, 2023, TRY 76,275).
- ii) Brand support incentive (known as "Turquality") received from Republic of Turkey Ministry of Trade amounts to TRY 288,942 (December 31, 2023: TRY 70,484).

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NOTE 17 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As of December 31, 2024, export commitments from Turkey under the scope of inward processing authorization certificates as export incentives amounts to full USD 1,812,803,260 (December 31, 2023: USD 619,260,838). In case that the related tax advantages are not utilized, it is possible to close of the certificates including export commitments without any sanctions.

	December 31, 2024	December 31, 2023
Collaterals obtained	40,682,261	37,181,093

Collaterals/pledges/mortgages/bill of guarantees ("CPMB") position of the Group as of December 31, 2024 and December 31, 2023 are as follows:

CPMB's given by the Company	December 31, 2024	December 31, 2023
A. CPMB's given for Company's own legal personality	6,426,121	7,061,417
B. CPMB's given on behalf of fully consolidated companies	32,132,213	14,084,610
C. CPMB's given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other CPMB's	-	-
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-
Total	38,558,334	21,146,027

TRY equivalents of CPMB given as of December 31, 2024, and December 31, 2023, are as follows on original currency basis are as follows:

CPMB's given by the Company	December 31, 2024	December 31, 2023
Euro	24,539,422	4,597,179
US Dollar	5,302,939	9,551,946
Turkish Lira	1,339,241	863,382
Other currencies	7,376,732	6,133,520
	38,558,334	21,146,027

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NOTE 18 - OTHER PROVISIONS

	December 31, 2024	December 31, 2023
Other short-term provisions		
Warranty provisions	4,317,111	3,650,043
Provisions for lawsuit risks ^(*)	3,249,837	134,495
Assembly provisions	1,831,866	1,732,960
Provisions for transportation costs	1,464,758	1,631,418
Provisions for restructuring	966,338	-
Other	1,743,771	2,016,424
	13,573,681	9,165,340

^(*) As part of the merger with Whirlpool Euro Holdings B.V., an increase is observed in the comparative period due to the litigation risks carried by the related company.

Other long-term provisions

Warranty provisions	2,582,014	1,614,501
Provisions for lawsuit risks ^(*)	89,181	796
Other	239,507	185,066
	2,910,702	1,800,363

The movements of warranty and assembly provisions for the years ended December 31, are as follows:

Warranty provision	2024	2023
As of January 1	5,264,544	5,309,877
Additions (Note 26)	10,846,026	9,059,651
Disposals	(10,569,810)	(8,351,372)
Acquisitions	3,226,514	176,251
Currency translation differences	(1,310,223)	(159,715)
Inflation effect	(557,926)	(770,148)
As of December 31	6,899,125	5,264,544
Assembly provision	2024	2023
As of January 1	1,732,960	1,596,532
Additions (Note 26)	6,046,632	4,838,449
Disposals	(5,289,346)	(3,870,857)
Currency translation differences	(20,739)	34,335
Inflation effect	(637,641)	(865,499)
As of December 31	1,831,866	1,732,960
Assembly provision		2024
As of January 1		-
Additions (Note 26)		990,518
Currency translation differences		(24,180)
As of December 31		966,338

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NOTE 18 - OTHER PROVISIONS (Continued)

As stated by the Group in the Public Disclosure Platform, restructuring processes have been initiated in Turkey, the United Kingdom, Italy, and Poland with the aim of creating efficiency and synergy. In this context, an expense of TRY 11,840,803 related to the restructuring has been reported under "Other Expenses from Operating Activities." The provisions for these expenses are classified in the financial position statement under the items "Inventories," "Short-Term Provisions," and "Liabilities under Employee Benefits." For detailed information regarding the restructuring activities, refer to Note 27.

NOTE 19 - LONG TERM PROVISION FOR EMPLOYEE BENEFITS

	December 31, 2024	December 31, 2023
Provision for employment termination benefits	3,474,858	4,909,049
Provision for pension obligations	3,947,854	-
Provision for vacation pay liability (*)	286	284
	7,422,998	4,909,333

(*) As of December 31, 2024, vacation pay provisions in the amount of TRY 1,081,354 are shown in employee benefit obligation.

Under the Turkish Legislations, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of full TRY 41,828.42 as of December 31, 2024 (December 31, 2023: full TRY 23,489.83) for each period of service.

The provision for employee termination benefits is not funded, as there is no funding requirement.

In accordance with Turkish Labor Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future, the provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial gains and losses are accounted in equity as other comprehensive income or loss.

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans, The Group makes a calculation for the employment termination benefit by applying the prescribed liability method, by the experiences and by considering the personnel who become eligible for pension, this provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

Accordingly, the following demographic and financial actuarial assumptions were used in the calculation of the total liability:

	2024	2023
Net discount rate (%)	3.38	2.90
Turnover rate related the probability of retirement (%)	95.33	95.33

The principal assumption is that the maximum liability for each year of service will increase in line with inflation, Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, As the maximum liability is revised semi-annually, the maximum amount of full TRY 46,655.43 (January 1, 2024: full TRY 35,058.58) which is effective from January 1, 2025 has been taken into consideration in calculating the reserve for employment termination benefits of the Company.

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NOTE 19 - LONG TERM PROVISION FOR EMPLOYEE BENEFITS (Continued)

Movements in the provisions for employment termination benefits for the years ended December 31, are as follows:

	2024	2023
As of January 1	4,909,049	6,228,294
Interest expense	398,969	211,057
Actuarial losses	928,702	1,298,976
Acquisitions	25,629	1,068
Service cost	477,779	555,795
Payments during the year	(2,062,381)	(1,659,779)
Currency translation differences	(393,342)	(85,289)
Inflation effect	(809,547)	(1,641,073)
As of December 31	3,474,858	4,909,049

There are defined benefits having the attributes of employment termination benefits in the foreign subsidiaries of the company. The geographical distribution of provision for employment termination benefits is as follows:

Turkey	1,854,332	2,993,797
- Foreign Countries	1,620,526	1,915,252
	3,474,858	4,909,049

Retirement obligations provision

Movements in the provisions for pension obligations for the years ended December 31, are as follows:

	2024
As of January 1	-
Interest expense	84,052
Actuarial losses	(33,290)
Acquisitions (Note 3)	6,072,261
Service cost	34,034
Currency translation differences	(1,366,955)
Inflation effect	(842,248)
As of December 31	3,947,854

The discount rates and mortality tables used in the calculation of retirement benefit obligations vary by country. The discount rates range from 0.9% to 5.5%.

For mortality rate calculations, the following mortality tables are used: France: TH TF 18-20 mortality table, Germany: Heubeck 2018 G mortality table, Ireland: ILT17 mortality table, Italy: ISTAT 2023 mortality table, Switzerland: BVG 2020 CMI 1.5% mortality table, United Kingdom: CMI 2023 mortality table.

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NOTE 20 - PREPAID EXPENSES

	December 31, 2024	December 31, 2023
Short-term prepaid expenses	3,855,613	2,303,517
Advances given for inventories	972,556	1,148,803
Short term prepaid expenses	4,828,169	3,452,320
	December 31, 2024	December 31, 2023
Advances given for fixed assets	4,851,012	6,850,238
Other	660,902	390,787
Long term prepaid expenses	5,511,914	7,241,025

NOTE 21 - CURRENT INCOME TAX ASSETS

	December 31, 2024	December 31, 2023
Prepaid taxes and funds	1,847,481	2,492,387
	1,847,481	2,492,387

NOTE 22 - EMPLOYEE BENEFIT OBLIGATIONS

	December 31, 2024	December 31, 2023
Payables to personnel ^(*)	13,621,693	4,011,827
Social security payables	2,012,468	1,601,057
Accruals for bonuses and premiums	1,477,122	531,764
	17,111,283	6,144,648

^(*) In the 'Due to Personnel' account, an increase was recorded due to the severance pay amounts of TRY 9,632,885 to be paid to employees within the scope of the Group's restructuring process. For detailed information, please refer to Note 27.

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NOTE 23 - OTHER ASSETS AND LIABILITIES

	December 31, 2024	December 31, 2023
Other current assets:		
Value added tax and special consumption tax receivables	2,852,479	3,239,042
Taxes and funds deductible	1,205,611	876,750
Advances given	383,473	424,920
Income accruals	274,821	288,989
Deposits and guarantees given	274,628	214,490
Other	903,431	244,198
	5,894,443	5,288,389
	December 31, 2024	December 31, 2023
Other current liabilities:		
Accruals of quotas and incentive premiums	15,258,082	12,095,782
Advances received	2,563,532	2,420,537
Deferred payment from customer contracts (Note 25)	703,978	518,787
Value added tax and special consumption tax payables	480,532	73
Other	457,278	483,859
	19,463,402	15,519,038
	December 31, 2024	December 31, 2023
Other long-term liabilities:		
Deferred payment from customer contract (Note 25)	4,155,192	3,437,568
Liabilities related to acquisitions (*)	3,455,625	5,580,907
Other (**)	3,021,163	1,809,277
	10,631,980	10,827,752

(*) The purchase price determined within the scope of the acquisition of all shares of IHP Appliances JSC and IHP Appliances Sales LLC, dated August 31, 2022, reflects their fair value as of December 31, 2024 and 2023 (Note 28, Note 30).

(**) The amount of TRY 1,242,149 included in "Other items" represents the contingent purchase price to be paid within the scope of business combinations.

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NOTE 24 - EQUITY**Paid-in capital**

The Company adopted the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of kurus1. Registered and issued share capital of the Company is as follows:

	December 31, 2024	December 31, 2023
Authorized share capital	1,500,000	1,500,000
Issued share capital in nominal value	675,728	675,728

Companies in Turkey may exceed the limit on registered share capital in the event of the issuance of bonus shares to existing shareholders.

The shareholding structure of the Company is as follows:

	December 31, 2024		December 31, 2023	
	Share (%)	Amount	Share (%)	Amount
Shareholders				
Koç Holding A.Ş.	41.43	279,929	41.43	279,929
Temel Ticaret ve Yatırım A.Ş.	2.75	18,577	2.75	18,577
Koç Family Members	8.67	58,590	8.67	58,590
Total Koç Family members and companies owned by Koç Family members	52.85	357,096	52.85	357,096
Teknosan Büro Makine ve				
Levazımı Ticaret ve Sanayi A.Ş.	12.05	81,428	12.05	81,428
Burla Ticaret ve Yatırım A.Ş.	5.56	37,572	5.56	37,572
Koç Holding Emekli ve				
Yardım Sandığı Vakfı	4.27	28,863	4.27	28,863
Vehbi Koç Vakfı	0.12	809	0.12	809
Treasury shares (*)	10.19	68,876	10.19	68,876
Other	14.96	101,084	14.96	101,084
Paid-in capital	100.00	675,728	100.00	675,728
Adjustment to share capital (**)		22,871,352		22,871,352
Total share capital		23,547,080		23,547,080

(*) The above amount refers to shares that are repurchased by the company and are publicly traded.

(**) Capital adjustment differences represent the disparity between the total amount of cash and cash equivalents added to capital after adjustment for inflation accounting and the amount before such adjustment. Capital adjustment differences have no use other than being added to capital.

All shareholders of the Company have equal rights and there are no preference shares outstanding.

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NOTE 24 - EQUITY (Continued)**Paid-in capital (Continued)**

The historical values and inflation adjustment effects of the following accounts under equity, in accordance with TFRS and VUK financial statements, as of December 31, 2024, are as follows:

31 December 2024 (TFRS)	Historical Value	Inflation Adjustment Effect	Indexed Value
Paid-in capital	675,728	22,871,352	23,547,080
Treasury shares	3,095,543	8,427,014	11,522,557
Legal reserves	887,707	5,795,258	6,682,965
Statutory reserves	10,687	20,653	31,340

31 December 2024 (VUK)	Historical Value	Inflation Adjustment Effect	Indexed Value
Paid-in capital	675,728	19,408,822	20,084,550
Treasury shares	3,095,543	8,131,791	11,227,334
Legal reserves	887,707	9,356,296	10,244,003
Statutory reserves	10,687	22,082	32,769

Treasury Shares

Pursuant to the decision of the Board of Directors of the Company on July 1, 2021, treasury share procedures have been initiated and pursuant to the decision of the Board of Directors of the Company on December 31, 2024 for Company to continue to the share buyback program. Within the scope of the decision, the shares with a nominal value of TRY 68,867, corresponding to 10.19% of the Company's capital, has been bought back at the amount of TRY 11,522,557 including transaction costs as of December 31, 2024 (December 31, 2023: TRY 11,522,557). As of the report date, there are no treasury shares that have been sold.

Restricted reserves

The Turkish Commercial Code ("TCC") stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.

The details of these restricted reserves are as follows:

	December 31, 2024	December 31, 2023
Legal reserves	11,522,557	11,522,557
Reserves for treasury shares	6,682,965	6,682,965
Statutory reserves	31,340	31,340

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NOTE 24 - EQUITY (Continued)**Dividend distribution**

Listed companies distribute dividends in accordance with the Communiqué No, II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their established dividend payment policies and the dividend payment decisions made in the general assembly, as well as in compliance with relevant legislation. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

NOTE 25 - SALES

Sales revenue grouped geographically based on the location of the customers for the years ended December 31 are shown as below:

January 1-December 31 2024	Turkey	Europe	Asia Pasific	Africa	Other	Total
Total segment revenue	138,873,152	208,278,726	45,041,172	18,363,541	17,991,632	428,548,223
January 1-December 31 2023	Turkey	Europe	Asia Pasific	Africa	Other	Total
Total segment revenue	138,822,613	144,224,823	52,362,328	17,553,143	18,240,361	371,203,268

The Group recognised net sales amounting to TRY 422,697,955 with respect to the performance obligations satisfied at a point in time as of December 31, 2024 (December 31, 2023: TRY 370.791.912).

The amount of performance obligations at ongoing contracts of the Group will be recognized in the future is TRY 4,859,170 (December 31, 2023: TRY 3,956,355).

The movements of performance obligations for the years ended December 31 are as follows:

	2024	2023
As of January, 1	3,956,355	3,431,973
Recognized as revenue	(5,850,268)	(411,355)
Increases due to changes in measurements	6,753,083	935,737
As of December, 31	4,859,170	3,956,355

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NOTE 26 - EXPENSES BY NATURE

Expenses by nature include cost of goods sold, marketing expenses, general administrative expenses and research and development expenses.

	2024	2023
Raw materials, supplies and trade goods	263,751,436	228,036,724
Personnel expenses	63,800,201	45,114,444
Transportation, distribution and storage expenses	22,110,897	19,600,621
Warranty and assembly expenses (Note 18)	16,892,658	13,898,100
Depreciation and amortization expenses (Note 13, 14)	16,549,997	12,582,692
Advertising and promotion expenses	10,994,328	10,483,617
Legal consultancy and audit expenses	3,565,087	2,747,522
Insurance expenses	2,118,872	1,623,092
Changes in finished goods, work in process and trade goods	354,404	1,582,002
Provision for impairment on inventories (Note 11)	(563,300)	197,142
Other	23,226,301	18,566,425
	422,800,881	354,432,381

The functional breakdowns of depreciation, amortisation and personnel expenses are as follows:

Depreciation and amortisation expenses	2024	2023
Cost of sales	7,560,665	5,719,543
Marketing expenses	4,777,309	3,869,334
General administrative expenses	2,384,111	1,322,466
Research and development expenses	1,827,912	1,671,349
	16,549,997	12,582,692

Total depreciation charges capitalised in 2024 is TRY 95,163 (2023: TRY 95,707).

Personnel expenses	2024	2023
Cost of sales	32,519,373	21,303,215
Marketing expenses	17,581,031	12,115,987
General administrative expenses	12,388,556	10,929,975
Research and development expenses	1,311,241	765,267
	63,800,201	45,114,444

Total research and development expenditures incurred in 2024 excluding amortization amounts to TRY 8,154,808 (2023: TRY 4,958,638).

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NOTE 26 - EXPENSES BY NATURE (Continued)*Fees for Services Received from Independent Auditor/Independent Audit Firms*

The Group's explanation regarding the fees for the services received from the independent audit firms, calculated based on purchasing power parity as of December 31, 2024, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	2024 ^(*)	2023 ^(*)
Audit and assurance fee	295,295	77,207
Tax consulting fees	52,493	79,719
Other assurance services fees	38,342	21,244
Other service fees apart from audit	9,395	1,642
	395,525	179,812

^(*) The fees above have been determined through including the legal audit and other related service fees of all subsidiaries and joint ventures, and the foreign currency fees of foreign subsidiaries and affiliates have been converted into TRY using the annual average rates of the relevant years.

NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	2024	2023
Other income from operating activities:		
Gain on bargain purchase (Note 3) ^(*)	17,023,034	-
Foreign exchange gains arising from trading activities	9,964,105	18,434,143
Income from claims and grants	769,618	538,245
Interest income arising from trading activities	649,801	311,472
Expected credit loss provisions no longer required (Note 9)	121,671	48,738
Other ^(*)	138,956	67,714
	28,667,185	19,400,312

^(*) The amount is related to the acquisition of Whirlpool MENA and Whirlpool EMEA companies.

	2024	2023
Other expenses from operating activities:		
Restructuring expenses ^(*)	(11,840,803)	-
Foreign exchange losses arising from trading activities	(9,310,768)	(17,026,225)
Interest charges arising from trading activities	(4,789,559)	(3,532,256)
Provision for expected credit losses (Note 9)	(307,613)	(299,528)
Other	(1,043,358)	(647,686)
	(27,292,101)	(21,505,695)

^(*) Expenses related to the Group's restructuring activities are reported under the heading 'restructuring expenses,' and the details are provided below;

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NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

	İtalya	Polonya	Türkiye	İngiltere	Toplam
Restructuring expenses:					
Compensation payments to employees	(7,962,778)	(1,529,698)	(894,370)	(259,033)	(10,645,879)
Expenses related to asset disposals	-	(321,940)	-	(74,009)	(395,949)
Compensation payments to suppliers	(53,268)	(103,613)	-	(111,014)	(267,895)
Payments related to contract termination fees	-	(166,521)	-	(37,005)	(203,526)
Outsourced Services	(92,725)	(25,903)	-	(58,483)	(177,111)
Provisions for inventories (Note 11)	-	-	-	(92,184)	(92,184)
Other	(58,259)	-	-	-	(58,259)
	(8,167,030)	(2,147,675)	(894,370)	(631,728)	(11,840,803)

As stated by the Group in the Public Disclosure Platform, restructuring processes have been initiated in Turkey, the United Kingdom, Italy, and Poland with the goal of enhancing efficiency and creating synergies. In this context, restructuring expenses have been accounted for under TAS 37 Provisions, Contingent Liabilities, and Contingent Assets Standard, and costs with amounts that can be reliably estimated have been recognized in the statement of financial position as of December 31, 2024, as well as in the profit or loss and other comprehensive income statement for the period ending on the same date. A cash outflow of (655,371) TRY has occurred for the related expenses.

NOTE 28 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	2024	2023
Income from investment activities:		
Gain from changes in contingent liability ^(*)	1,123,214	-
Income from sales of property plant and equipment	80,523	72,955
Gain from a bargain purchase	13,164	-
Dividends received from financial investments	2,626	436
	1,219,527	73,391
Expenses from investment activities:		
Loss from sales of property plant and equipment	(225,545)	(147,999)
Impairment of financial assets (Note 6)	(112,546)	-
	(338,091)	(147,999)

^(*) The contingent purchase prices of IHP Appliances JSC and IHP Appliances Sales LLC, whose acquisition transactions were completed on August 31, 2022, are presented at their fair value in the financial statements. Due to changes in market conditions and market factors, the contingent liability amount has changed in fair value compared to previous reporting periods, and the related change in value has been recognized as income from investment activities in the financial statements.

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NOTE 29 - FINANCIAL INCOME

	2024	2023
Foreign exchange gains ^(*)	15,724,405	14,290,256
Gains on derivative instruments	3,085,128	14,775,661
Interest income	2,949,159	2,707,300
Other	291,810	847,408
	22,050,502	32,620,625

^(*) Foreign exchange gains are related to cash and cash equivalents, financial borrowings and other financial liabilities.

NOTE 30 - FINANCIAL EXPENSES

	2024	2023
Foreign exchange losses ^(*)	(20,428,576)	(28,682,359)
Interest expenses ^(**)	(16,024,137)	(11,458,009)
Losses on derivative instruments	(7,574,322)	(8,615,665)
Interest expense from contingent liability	(493,982)	(754,474)
Other	(2,777,813)	(947,251)
	(47,298,830)	(50,457,758)

^(*) Foreign exchange losses are related to cash and cash equivalents, financial borrowings and other liabilities.

^(**) TRY 804,075 of the interest expenses consists of the interest expense on the lease liabilities (2023: TRY 473,675).

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NOTE 31 - EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)**Non-monetary items****December 31, 2024****Statement of financial position items****13,239,752**

Inventories	7,648,776
Prepaid expenses	525,141
Investments accounted for using the equity method, financial investments, subsidiaries	23,663,075
Property, plant, and equipment	10,049,310
Intangible assets	4,387,553
Deferred tax assets	1,106,267
Other liabilities	(949,799)
Paid-in capital	(9,934,891)
Treasury shares	3,541,774
Other accumulated comprehensive income and expense not to be reclassified to profit or loss	561,991
Other accumulated comprehensive income and expense to be reclassified to profit or loss	4,482,593
Restricted reserves	(5,642,439)
Retained earnings	(26,199,599)

Profit or Loss Statement Items**2,570,372**

Revenue	(39,404,475)
Cost of sales	32,851,121
Research and development expenses	219,948
Marketing expenses	4,640,589
General and administrative expenses	1,448,931
Other income/expenses from operating activities	452,248
Income/expenses from investment activities	(580,056)
Finance income/expenses	2,300,236
Tax expense for the period	641,830

Net Monetary Position Gains/(Losses)**15,810,124****NOTE 32 - TAX ASSETS AND LIABILITIES****December 31, 2024****December 31, 2023**

Corporate and income taxes	1,169,131	1,600,800
Prepaid taxes	(894,546)	(991,756)
Tax liabilities (net)	274,585	609,044
Deferred tax assets	23,029,198	11,883,905
Deferred tax liabilities	(4,683,062)	(4,891,662)
Deferred tax assets, net	18,346,136	6,992,243

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NOTE 32 - TAX ASSETS AND LIABILITIES (Continued)

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The corporation tax rate is 25% in Turkey (December 31, 2023: 25%). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

Income tax expense for the years ended December 31 is as follows:

	2024	2023
Tax income		
- Current period tax expense	(1,409,767)	(2,759,020)
- Deferred tax income	812,891	4,544,916
Total tax income/(expense), net	(596,876)	1,785,896
	2024	2023
Profit before tax	(1,610,412)	18,770,771
Less: Share of profit/loss of equity accounted investments	176,070	695,070
Profit before tax (excluding share of profit/(loss) of Joint Ventures)	(1,434,342)	19,465,841
Tax rate	25%	25%
Tax expense	358,586	(4.866.460)
Exemptions	1,119,489	1,743,667
Tax losses and other tax advantages (net effect)	2,442,108	3,542,432
Temporary differences which no deferred tax recognized	(1,378,008)	(1,199,887)
Impact of different tax rates in other countries	(341,462)	(563,391)
The effect of the legal tax rate change on the deferred tax amount	-	(556,245)
Expenses not deductible for tax purposes	(1,683,293)	(1,286,831)
Non-taxable inflation adjustments	(901,018)	(191,930)
Arising from inflation accounting according to legal provisions deferred tax effect calculated regarding temporary differences ⁽¹⁾	-	5,197,983
Other	(213,278)	(33,442)
Taxation income recognized in statement of profit or loss	(596,876)	1,785,896

⁽¹⁾ Arises from the deferred tax effect of temporary differences created by the adjustments made to inflation accounting in accordance with the Communiqué No. 32415 (2nd. Repetition) dated December 30, 2024, of the Tax Procedure Law.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their statement of financial position accounts prepared in accordance with TAS/IFRS promulgated by POA Financial Reporting Standards and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for TAS/IFRS and Tax Laws.

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NOTE 32 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/liabilities provided using principal tax rates is as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Property, plant and equipment and intangible assets	23,234,312	28,944,132	(6,438,805)	(7,046,980)
Reduced corporate tax application ^(*)	-	-	5,555,880	3,646,301
Available tax deductions	-	-	9,933,906	2,295,261
Provisions for warranty, assembly and transportation expenses	(6,046,111)	(9,341,286)	1,475,027	2,289,534
Inventories	(2,156,557)	(1,597,904)	738,991	686,551
Provisions for employment termination benefits	(3,873,060)	(5,855,282)	906,551	1,273,231
Provision for expected credit losses	(1,678,919)	(610,280)	466,310	180,190
Derivative instruments	(9,529,967)	(6,813,851)	2,394,102	1,622,865
Cost and expense provisions	(4,689,316)	(8,544,762)	1,028,626	1,885,586
Other	(8,632,619)	(2,053,502)	2,285,548	159,704
Deferred tax assets, net			18,346,136	6,992,243

^(*) Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TRY 5,555,880 (December 31, 2023: TRY 3,646,301) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of December 31, 2024. TRY 1,909,579 of deferred tax income is recognized in the consolidated profit or loss statement for the period between January 1 - December 31, 2024, from accounting of such deferred tax assets.

Tax Advantages Obtained Under the Investment Incentive System:

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 5 years from the balance sheet date.

In the sensitivity analysis performed as of December 31, 2024, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 5-year recovery periods of deferred tax assets related to investment incentives.

Movements in deferred tax asset/(liabilities) for the periods ended December 31 are as follows:

	2024	2023
Balance as of January 1	6,992,243	644,501
Deferred tax income recognized in statement of profit or loss	812,891	4,544,916
Deferred tax income recognized directly in the equity	438,237	2,009,405
Acquisitions (Note 3)	11,457,349	(240,623)
Currency translation differences	(1,354,584)	34,044
Balance as of December 31	18,346,136	6,992,243

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NOTE 32 - TAX ASSETS AND LIABILITIES (Continued)

Group's total deductible loss of which deferred tax assets have not been calculated and related maturity analysis of this amount is as follows:

	December 31, 2024	December 31, 2023
2025	1,041,353	1,130,464
2026	362,821	368,243
2027	382,903	1,418,249
2028 and after	62,310,670	4,845,952
	64,097,747	7,762,908

Subsidiaries' accumulated and undistributed profits are being used in financing investments and working capital requirements, and the dividend payments are subject to Group management's approval. Complete distribution of these accumulated profits is not anticipated as of balance sheet date, and consequently no resulting deferred tax liability is accrued.

NOTE 33 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income per share by the weighted average number of shares that have been outstanding during the year.

The Companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. In earnings per share calculation, this bonus share issuance is accepted as shares issued. Hence, weighted average stock share, which is used in the calculation of earnings per share, is acquired by retrospective application of bonus share issue.

Earnings per share are as follows:

	January 1- December 31, 2024	January 1- December 31, 2023
Profit for the year attributable to equity holders of the parent	1,689,082	19,505,482
Weighted average number of ordinary shares with nominal value (kurus1 per value) ^(*)	60,685,191,700	60,685,191,700
Earnings per share (kurus)	2.783	32.142

^(*) Further details for the treasury shares please refer to Note 24.

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NOTE 34 - RELATED PARTY DISCLOSURES**(i) Balances with related parties**

	December 31, 2024	December 31, 2023
(a) Due from related parties:		
Koçtaş Yapı Marketleri Ticaret A.Ş. ⁽¹⁾	217,939	85,478
Wat Motor Sanayi ve Ticaret A.Ş. ⁽¹⁾	143,878	246,488
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	143,015	431,798
Voltbek ⁽³⁾	33,232	44,014
Other	106,897	23,341
	644,961	831,119
	December 31, 2024	December 31, 2023
(b) Due to related parties:		
Short-term trade payables		
Zer Merkezi Hizmetler ve Ticaret A.Ş. ⁽¹⁾	2,697,105	3,127,497
Arçelik-LG ⁽³⁾	941,665	1,927,979
Ram Dış Ticaret A.Ş. ⁽²⁾	570,835	983,651
Entek Elektrik Üretim A.Ş. ⁽¹⁾	467,097	69,117
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ⁽¹⁾	343,219	217,891
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	121,349	-
Ingage Dijital Pazarlama Hizmetleri A.Ş. ⁽¹⁾	103,250	376,020
Other	383,246	843,471
	5,627,766	7,545,626

⁽¹⁾ Koç Holding group companies

⁽²⁾ Subsidiaries

⁽³⁾ Joint ventures

(c) Deposits:

	December 31, 2024	December 31, 2023
Yapı ve Kredi Bankası A.Ş. and its subsidiaries ⁽¹⁾	291,812	792,067

(d) Derivative instruments

December 31, 2024	Contract amount	Fair value assets/(liabilities)
Yapı ve Kredi Bankası A.Ş. and its subsidiaries ⁽¹⁾	2,835,792	- (11,873)
December 31, 2023	Contract amount	Fair value assets/(liabilities)
Yapı ve Kredi Bankası A.Ş. and its subsidiaries ⁽¹⁾	14,538,303	224,685 (2,632)

⁽¹⁾ Koç Holding group companies

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NOTE 34 - RELATED PARTY DISCLOSURES (Continued)**(ii) Transactions with related parties**

(a) Sales of goods and services:	2024	2023
Bilkom Bilişim Hizmetleri A.Ş. ⁽¹⁾	2,039,061	1,737,719
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	1,086,730	1,731,227
Koçtaş Yapı Marketleri Ticaret A.Ş. ⁽¹⁾	498,757	286,172
Entek Elektrik Üretimi A.Ş. ⁽¹⁾	228,142	2,680
WAT Motor ⁽¹⁾	101,696	391,931
Türk Traktör ve Ziraat Makinaları A.Ş. ⁽¹⁾	95,613	1,022
Other	459,639	130,035
	4,509,638	4,280,786
(b) Purchases of goods and services:	2024	2023
Zer Merkezi Hizmetler ve Ticaret A.Ş. ⁽¹⁾	15,813,411	16,180,953
Arçelik-LG ⁽³⁾	10,963,314	10,505,370
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	4,887,978	2,031,262
Ram Dış Ticaret ⁽²⁾	3,383,370	4,898,473
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ⁽¹⁾	1,222,452	1,184,856
Ingage Dijital Pazarlama Hizmetleri A.Ş. ⁽¹⁾	851,183	1,139,942
Bilkom Bilişim Hizmetleri A.Ş. ⁽¹⁾	679,567	669,388
Other	4,223,294	3,363,694
	42,024,569	39,973,938

The Group purchases direct and indirect materials and receives services from Zer Merkezi Hizmetler A.Ş. and Ram Dış Ticaret A.Ş. The average payment term is around sixty days.

The Group purchases air conditioners produced by Arçelik-LG. Purchasing conditions are determined in line with sales conditions.

The Group purchases POS services from Token Financial Technologies Inc.

⁽¹⁾ Koç Holding group companies

⁽²⁾ Associates

⁽³⁾ Joint Ventures

(c) Key management compensation:

Senior executives of Arçelik A.Ş. are defined as the Chairman and Members of the Board of Directors, the General Manager, Deputy General Managers, and Directors directly reporting to the General Manager.

In the annual financial period ended December 31, 2024, the total benefits provided to senior executives of Arçelik A.Ş. by our company and its subsidiaries, calculated on the basis of purchasing power as of December 31, 2024, amounted to TRY 954,031 (December 31, 2023: TRY 1,058,709). The amount of payments made due to separation as of December 31, 2024, calculated on the basis of purchasing power as of December 31, 2024, is TRY 83,104 (December 31, 2023: 96,267).

(d) Other transactions:

	2024	2023
<i>Interest income:</i>		
Yapı ve Kredi Bankası A.Ş. and its subsidiaries ⁽¹⁾	19,052	26,098

⁽¹⁾ Koç Group Companies

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group has focused on managing various financial risks, including the effects of changes in debt and capital market prices, foreign exchange rates, and interest rates due to its operations. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Hedging operations and derivative instruments***Liquidity Risk***

The risk of failure in settling financial liabilities is eliminated by managing the consolidated financial position statement and expected cash flows in harmony. In this context, the maturities of the financial liabilities are kept in line with the maturities of assets to eliminate any duration mismatch, to maintain short term liquidity with effective inventory term, trade receivables and trade payables term, net working capital objectives are set and consolidated statement of financial position ratios are aimed to be kept at particular levels.

Cash flow estimations for midterm and long-term liquidity management of the Group are made by taking into account financial market and sector dynamics and cash flow cycle is observed and is tested by various scenarios.

The analysis of the Group's financial liabilities with respect to their maturities as of December 31, 2024, is as follows:

Total financial liabilities (non-derivative):	Carrying value	Contractual cash-flows	Up to 3 months	3 months- 12 months	1 year- 5 years	More than 5 years
Financial liabilities	129,131,531	144,486,858	43,155,733	27,549,667	70,376,491	3,404,967
Lease liabilities	8,911,549	9,118,282	536,889	1,924,332	4,344,166	2,312,895
Trade payables	102,389,609	105,726,290	81,675,666	24,050,624	-	-
Other liabilities (*)	3,455,625	5,823,828	-	-	4,091,964	1,731,864
Other payables, third parties	5,829,813	5,829,813	4,871,412	958,401	-	-
	249,718,127	270,985,071	130,239,700	54,483,024	78,812,621	7,449,726

(*) Indicates the maturity analysis in relation to contingent consideration liabilities (Note 23).

Derivative instruments	Carrying value	Contractual cash-flows	Up to 3 months	3 months- 12 months	1 year- 5 years	More than 5 years
Derivative cash inflows	-	57,784,781	57,784,781	-	-	-
Derivative cash outflows	-	(102,009,861)	(102,009,861)	-	-	-
Derivative instruments (net)	117,156	(44,225,080)	(44,225,080)	-	-	-

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The analysis of the Group's financial liabilities with respect to their maturities as of December 31, 2023, is as follows:

Total financial liabilities (non-derivative):	Carrying value	Contractual cash-flows	Up to 3 months	3 months- 12 months	1 year- 5 years	More than 5 years
Financial liabilities	141,633,361	153,012,677	41,605,249	37,759,668	68,463,726	5,184,034
Lease liabilities	5,502,404	5,874,929	248,402	1,265,080	3,293,012	1,068,435
Trade payables	78,260,250	81,502,293	76,061,593	5,440,700	-	-
Other liabilities (*)	5,580,907	10,216,235	-	-	6,391,790	3,824,445
Other payables, third parties	5,776,656	5,776,656	4,895,883	880,773	-	-
	236,753,578	256,382,790	122,811,127	45,346,221	78,148,528	10,076,914
Derivative instruments	Carrying value	Contractual cash-flows	Up to 3 months	3 months- 12 months	1 year- 5 years	More than 5 years
Derivative cash inflows	-	52,597,356	30,857,373	20,472,189	1,267,794	-
Derivative cash outflows	-	(52,795,168)	(31,051,190)	(20,384,743)	(1,359,235)	-
Derivative instruments (net)	(653,373)	(197,812)	(193,817)	87,446	(91,441)	-

(*) Indicates the maturity analysis in relation to contingent consideration liabilities (Note 23).

Analysis of financial instruments of the Company which are sensitive to interest rate changes is as follows:

	2024	2023
Financial instruments with fixed interest rates		
Time deposits	12,229,013	12,097,825
Borrowings and bonds issued	96,728,684	101,868,237
Factoring liabilities	1,051,923	1,005,371
Financial instruments with variable interest rates		
Time deposits	27,420,331	40,997,660
Borrowings	32,402,847	39,765,124

As of December 31, 2024, if interest rates of all foreign currency denominated financial assets and liabilities with variable interest rates has strengthened/weakened by 100 base point with all other variables held constant, income before taxes would have been TRY 49,825 (2023: TRY 12,326 higher/lower) as a result of lower/higher interest income/expense arise from time deposits and borrowings with variable interest rates.

Funding risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**Credit risk**

The Group is exposed to credit risk arising from receivables from credit financed sales and deposits with banks.

Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are as follows:

- Bank guarantees (guarantee letters, letter of credits etc.),
- Credit insurance (Global insurance policies, Eximbank and factoring insurance etc.),
- Mortgages,
- Endorsed cheques and notes.

In credit risk control, for the customers which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors. Individual risk limits are set in accordance and the utilization of credit limits is regularly monitored.

For banks, the ratings of the independent rating institutions are taken into consideration.

Same credit risk management principles are used for the management of the financial assets. Investments are made to instruments with highest liquidity and credit note of the company of transaction is taken into consideration.

Details of credit and receivable risk as of December 31, 2024 and December 31, 2023 are as follows:

December 31, 2024	Trade receivables		Bank deposits	Derivative instruments
	Related parties	Third parties		
Maximum exposed credit risk as of reporting date ⁽¹⁾	644,961	92.316,860	49,256,268	444,237
Secured portion of the maximum credit risk by guarantees, etc. ⁽²⁾	-	(73,725,981)	-	-
A. Net book value of financial asset either are not due or not impaired	644,961	88,485,335	49,256,268	444,237
- Secured portion by guarantees, etc.	-	(70,888,656)	-	-
B. Net book value of overdue but not impaired financial assets	-	3,922,284	-	-
- Secured portion by guarantees, etc.	-	(2,893,171)	-	-
C. Net book value of the impaired assets	-	(55,846)	-	-
- Overdue (Gross book value)	-	1,629,306	-	-
- Impairment (-)	-	(1,685,152)	-	-
- Secured portion of the net value by guarantees, etc.	-	55,846	-	-
D. Expected credit losses (-)	-	(34,913)	-	-

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

December 31, 2023	Trade receivables		Bank deposits	Derivative instruments
	Related parties	Third parties		
Maximum exposed credit risk as of reporting date ⁽¹⁾	831,119	95,259,449	68,584,109	654,525
Secured portion of the maximum credit risk by guarantees, etc. ⁽²⁾	-	(75,927,395)	-	-
A. Net book value of financial asset either are not due or not impaired	831,119	92,134,081	68,584,109	654,525
- Secured portion by guarantees, etc.	-	(73,773,946)	-	-
B. Net book value of overdue but not impaired financial assets	-	3,155,567	-	-
- Secured portion by guarantees, etc.	-	(2,142,897)	-	-
C. Net book value of the impaired assets	-	10,552	-	-
- Overdue (Gross book value)	-	1,061,658	-	-
- Impairment (-)	-	(1,051,106)	-	-
- Secured portion of the net value by guarantees, etc.	-	(10,552)	-	-
D. Expected credit losses (-)	-	(40,751)	-	-

⁽¹⁾ Amounts showing the maximum credit risk exposed as of reporting date by excluding guarantees in hand and other factors that increase the credit quality.

⁽²⁾ Major part of guarantees is composed of mortgages and trade receivable insurances.

a) Credit quality of financial assets which are not overdue and not impaired.

	December 31, 2024	December 31, 2023
Group 1	1,867,476	1,345,346
Group 2	85,490,619	90,802,797
Group 3	1,772,201	817,057
	89,130,296	92,965,200

Group 1 - New customers (customers for a period less than 3 months).

Group 2 - Existing customers with no defaults in the past (customers for a period of more than 3 months).

Group 3 - Existing customers with some defaults in the past of which were fully recovered.

b) Aging analysis of the receivables which are overdue but not impaired

	December 31, 2024	December 31, 2023
0-1 month	2,662,512	1,823,526
1-3 months	486,254	554,311
3-12 months	475,479	406,643
1-5 years	298,039	371,087
	3,922,284	3,155,567

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**c) Geographical concentration of the trade receivables**

	December 31, 2024	December 31, 2023
Turkey	26,105,540	33,549,383
Europe	43,588,099	36,241,847
Other	23,268,182	26,299,339
	92,961,821	96,090,569

The Group has applied the simplified approach stated in TFRS 9 for the calculation of expected credit loss provision for trade receivables. This approach allows expected credit loss provision for all trade receivables. In order to measure expected credit losses, the Group appropriately classified its trade receivables based on maturity and credit risk characteristics. The expected credit loss ratio for each class of trade receivables, which is grouped using past loan loss experiences and forward-looking macroeconomic indicators, is calculated and the expected credit loss provision has been calculated by multiplying the determined rate and totals of trade receivable.

Description for the measurements as of December 31, 2024, is as follows;

December 31, 2024	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected loss rate (%)	0.004	0.06	0.56	1.36	
Gross carrying amount ^(*)	90,800,591	1,838,162	1,669,198	2,044,230	96,352,181
Expected credit lose	(3,234)	(1,168)	(2,631)	(27,880)	(34,913)

^(*)Represents gross trade receivables excluding related party balances and impairment provisions.

Description for the measurements as of December 31, 2023, is as follows;

December 31, 2023	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected credit loss rate (%)	0.003	0.1	0.47	1.71	
Gross carrying amount ^(*)	93,904,224	506,995	1,628,463	2,081,767	98,121,449
Expected credit loss	(2,366)	(526)	(2,225)	(35,634)	(40,751)

^(*)Represents gross trade receivables excluding related party balances and impairment provisions.

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**Foreign exchange risk**

Since the Group operates in a diverse geographical area, operations are performed using multiple currencies. Therefore, foreign exchange risk is one of the most significant financial risks that the Group is exposed to.

Trade relations between the Company and its subsidiaries are structured within the framework of relevant legislations and managed centrally by subsidiaries' functional currencies. Thus, foreign currency risk born by the subsidiaries is minimized. It is aimed to set the ratio of foreign exchange risk position over equity at a predetermined interval.

The main principle of foreign currency risk management is to minimize the impact of foreign exchange fluctuations by maintaining foreign exchange asset position close to zero.

Inter balance sheet methods are preferred for the management of foreign currency risk as in other risk items. However, when necessary, derivative instruments are also used for maintaining foreign currency position at a predetermined level.

Foreign currency hedge of net investments in foreign operations

The Group designated some portion of the Euro dominated bonds issued and Ruble dominated contingent liabilities as a hedging instrument in order to hedge the foreign currency risk arisen from the translation of net assets of part of the subsidiaries operating in Europe and Russia from Euro and Ruble to Turkish Lira. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in equity in foreign currency hedge of net investments in foreign operations fund in order to net off the increment value fund arisen from the translation of the net assets of investments in foreign operations. As of December 31, 2024, a portion of bank borrowings amounting to EUR 500,000,000 and contingent liabilities RUB 10,320,844,478 (before tax) was designated as a net investment hedging instrument (December 31, 2023: EUR 210,000,000 and RUB 10,548,277,984 respectively).

Assets and liabilities denominated in foreign currency held by the Group before consolidation adjustments are as follows:

	December 31, 2024	December 31, 2023
Assets	71,010,572	95,978,691
Liabilities	(117,076,798)	(138,503,691)
Net position of financial statement	(46,066,226)	(42,525,000)
Net position of derivative instruments	34,454,693	31,610,113
Foreign currency position (net)	(11,611,533)	(10,914,887)

Currencies, other than the functional currencies of the Company and its' subsidiaries are accepted as foreign currencies. The original currencies are presented in thousands ('000).

ARÇELİK ANONİM ŞİRKETİ

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent as of December 31, 2024, are as follows:

	Euro	USD Dollar	British Pound	Russian Ruble	Other Currency's TRY Equivalent	TRY Equivalent
Current Assets						
Trade receivables	371,273	265,355	44,915	4,424,187	3,574,088	30,031,020
Monetary financial assets	362,243	316,063	65	33	1,066,216	25,511,743
Other	146,345	50,574	12,796	-	1,897,061	9,621,753
Non-Current Assets						
Trade receivables	28,566	111,150	19,613	-	-	5,832,460
Other non-current assets	-	386	-	-	-	13,596
Total Assets	908,427	743,528	77,389	4,424,220	6,537,365	71,010,572
Current Liabilities						
Trade payables	454,672	664,472	91,146	208,456	4,873,812	49,087,300
Financial liabilities	158,809	284,654	-	-	259,992	16,121,548
Other monetary liabilities	15,469	58,374	27	10,288,311	1,465,174	7,535,602
Non-Current Liabilities						
Trade payables	27,500	879	-	-	-	1,041,379
Financial liabilities	649,635	551,354	-	-	-	43,289,973
Other monetary liabilities	-	3	-	-	894	996
Total Liabilities	1,306,085	1,559,736	91,173	10,496,767	6,599,872	117,076,798
Net Position of Financial Statement	(397,658)	(816,208)	(13,784)	(6,072,547)	(62,507)	(46,066,226)
Off-balance sheet derivative assets ^(*)	772,442	1,073,639	120,000	12,020,844	6,112,498	81,645,681
Off-balance sheet derivative liabilities ^(*)	(836,999)	(111,880)	(109,070)	(4,910,000)	(6,026,579)	(47,190,988)
Net position of off-balance sheet items	(64,557)	961,759	10,930	7,110,844	85,919	34,454,693
Net Asset/(Liability) Position of Foreign Currency	(462,215)	145,551	(2,854)	1,038,297	23,412	(11,611,533)
Net Asset/(Liability) Position of Foreign Currency Monetary Items	(397,658)	(816,208)	(13,784)	(6,072,547)	(62,508)	(46,066,226)
Hedge Amount of Foreign Currency Assets	836,999	111,880	109,070	4,910,000	6,026,579	47,190,988
Hedge Amount of Foreign Currency Liabilities	772,442	1,073,639	120,000	12,020,844	6,112,498	81,645,681

^(*) Some portion of EUR denominated bonds issued designated as hedging instrument against to the foreign currency risk arisen from the conversion of net investments in foreign operation at subsidiaries located in Europe, is included in off balance sheet derivative assets.

ARÇELİK ANONİM ŞİRKETİ

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AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent as of December 31, 2023 are as follows:

	Euro	US Dollar	British Pound	Russian Ruble	Other Currency's TRY Equivalent	TRY Equivalent (**)
Current Assets						
Trade receivables	427,200	425,567	51,133	1,381,115	4,521,370	46,114,587
Monetary financial assets	513,794	527,221	125	-	698,136	47,276,743
Other	2,714	46,112	-	-	76,834	2,164,348
Non-Current Assets						
Trade receivables	1,114	8,720	-	-	-	423,013
Total Assets	944,822	1,007,620	51,258	1,381,115	5,296,340	95,978,691
Current Liabilities						
Trade payables	387,069	590,263	5,219	20,513	1,889,538	45,472,712
Financial liabilities	628,645	80,341	-	-	35,080	33,014,825
Other monetary liabilities	3,325	5,337	-	11,853,246	30,460	5,994,630
Non-Current Liabilities						
Trade payables	-	1,589	-	-	-	67,536
Financial liabilities	650,164	550,000	-	-	-	53,953,468
Other monetary liabilities	-	12	-	-	-	520
Total Liabilities	1,669,203	1,227,542	5,219	11,873,759	1,955,078	138,503,691
Net Position of Financial Statement	(724,381)	(219,922)	46,039	(10,492,644)	3,341,262	(42,525,000)
Off-balance sheet derivative assets (*)	766,726	749,229	13,000	11,853,246	269,106	74,455,856
Off-balance sheet derivative liabilities (*)	(582,458)	(145,350)	(60,500)	(1,450,000)	(5,321,908)	(42,845,743)
Net position of off-balance sheet items	184,268	603,879	(47,500)	10,403,246	(5,052,802)	31,610,113
Net Asset/(Liability) Position of Foreign Currency	(540,113)	383,957	(1,461)	(89,398)	(1,711,540)	(10,914,887)
Net Asset/(Liability) Position of Foreign Currency Monetary Items	(724,381)	(219,922)	46,039	(10,492,644)	3,341,262	(42,525,000)
Hedge Amount of Foreign Currency Assets	582,458	145,350	60,500	1,450,000	5,321,908	42,845,743
Hedge Amount of Foreign Currency Liabilities	766,726	749,229	13,000	11,853,246	269,106	74,455,856

(*) Some portion of EUR denominated bonds issued designated as hedging instrument against to the foreign currency risk arisen from the conversion of net investments in foreign operation at subsidiaries located in Europe, is included in off balance sheet derivative assets.

(**) Amounts expressed in thousands of TRY in terms of purchasing power of the TRY at December 31, 2024.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

(Convenience translation into english of consolidated financial statements originally issued in Turkish)

NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

As of December 31, 2024, and December 31, 2023, if related currencies had appreciated by 10% against TRY with all other variables held constant, profit before tax and other comprehensive income (before tax) as a result of foreign exchange losses on the translation of foreign exchange position is presented in the tables below. Secured portions include impact of derivative instruments.

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
December 31, 2024				
USD net asset/liability	(2,874,954)	2,874,954	(2,411,408)	2,411,408
Secured portion from USD risk	3,387,633	(3,387,633)	3,387,633	(3,387,633)
USD Net effect	512,679	(512,679)	976,225	(976,225)
EUR net asset/liability	376,036	(376,036)	(2,212,430)	2,212,430
Secured portion from EUR risk	(2,074,346)	2,074,346	(237,201)	237,201
EUR Net effect	(1,698,310)	1,698,310	(2,449,631)	2,449,631
GBP net asset/liability	(60,989)	60,989	(19,230)	19,230
Secured portion from GBP risk	48,361	(48,361)	48,361	(48,361)
GBP Net effect	(12,628)	12,628	29,131	(29,131)
RUB net asset/liability	142,242	(142,242)	697,473	(697,473)
Secured portion from RUB risk	(107,478)	107,478	238,085	(238,085)
RUB Net effect	34,764	(34,764)	935,558	(935,558)
Other net asset/liability	(6,249)	6,249	1,441,239	(1,441,239)
Secured portion from other currency risk	8,591	(8,591)	8,591	(8,591)
Other Currency Net effect	2,342	(2,342)	1,449,830	(1,449,830)
	(1,161,153)	1,161,153	941,113	(941,113)

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
December 31, 2023				
USD net asset/liability	(934,724)	934,724	(211,568)	211,568
Secured portion from USD risk	2,566,638	(2,566,638)	2,566,638	(2,566,638)
USD Net effect	1,631,914	(1,631,914)	2,355,070	(2,355,070)
EUR net asset/liability	(2,419,123)	2,419,123	(3,679,265)	3,679,265
Secured portion from EUR risk	(121,017)	121,017	866,609	(866,609)
EUR Net effect	(2,540,140)	2,540,140	(2,812,656)	2,812,656
GBP net asset/liability	248,877	(248,877)	290,809	(290,809)
Secured portion from GBP risk	(256,775)	256,775	(256,775)	256,775
GBP Net effect	(7,898)	7,898	34,034	(34,034)
RUB net asset/liability	64,061	(64,061)	819,861	(819,861)
Secured portion from RUB risk	(68,271)	68,271	489,819	(489,819)
RUB Net effect	(4,210)	4,210	1,309,680	(1,309,680)
Other net asset/liability	334,127	(334,127)	2,489,020	(2,489,020)
Secured portion from other currency risk	(505,282)	505,282	(505,281)	505,281
Other Currency Net effect	(171,155)	171,155	1,983,739	(1,983,739)
	(1,091,489)	1,091,489	2,869,867	(2,869,867)

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Import and exports performed to/from Turkey for the year ended as of December 31, 2024, and 2023 are as follows:

	December 31, 2024 TRY	December 31, 2023 TRY
EUR	42,450,936	50,954,668
USD	16,598,938	17,000,080
GBP	15,543,221	17,027,156
Other	13,657,869	14,530,830
Total exports	88,250,964	99,512,734
USD	40,700,904	45,803,782
EUR	13,342,467	19,309,620
Other	1,305,912	130,589
Total imports	55,349,283	65,243,991

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratios as of December 31, 2024, and 2023 are as follows:

	December 31, 2024	December 31, 2023
Total financial liabilities (Note 7)	138,043,080	147,135,765
Cash and cash equivalents (Note 5)	(50,815,825)	(70,444,978)
Net financial liabilities	87,227,255	76,690,787
Equity	75,063,593	85,996,829
Total Invested capital	162,290,848	162,687,616
Net financial debt/invested capital ratio	54%	47%

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NOTE 36 - FINANCIAL INSTRUMENTS***Fair value of financial instruments****Contingent consideration from acquisition transactions*

Group measures the contingent consideration liabilities arising from purchase/acquisition transactions at their fair value on it's consolidated financial statements. In this context, the contingent consideration liability in relation to the acquisition of IHP Appliances JSC and IHP Appliances Sales LLC, whose acquisitions have been completed as of August 31, 2022 are measured at fair value in the consolidated financial statements as of December 31, 2024.

The contingent consideration liability is calculated by discounting the expected future cash flows of the acquired companies to date. Estimations on earnings before interest tax depreciation amortization ("EBITDA"), long term growth rate and discount rates are taken into account in the calculation of discounted future cash flows of the acquired companies. According to the Group's assessments, EBITDA growth rates are the key assumptions used in the calculation of the discounted contingent consideration liabilities.

Under the assumption of 1% increase/decrease in EBITDA growth rates as at December 31, 2024, all other variables held constant, the Group's contingent consideration liability would have been increased by TRY 336,398/decreased by TRY 464,032.

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: Valuation techniques does not contain observable market inputs

Fair value hierarchy table as of December 31, 2024, is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 8)	-	444,237	-
Financial investments (Note 6)	161,676	5,433	67,830
Financial liabilities carried at fair value in statement of financial position			
Derivative instruments (liabilities) (Note 8)	-	327,081	-
Other long term liabilities (Note 23)	-	-	3,455,625

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NOTE 36 - FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy table as of December 31, 2023 is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 8)	-	654,525	-
Financial investments (Note 6)	33,491	6,513	164,638

Financial liabilities carried at fair value in statement of financial position

Derivative instruments (liabilities) (Note 8)	-	1,307,898	-
Other long term liabilities (Note 23)	-	-	5,580,907

NOTE 37 - SUPPLEMENTARY CASH FLOW INFORMATION

Statements of cash flows are presented within the consolidated financial statements.

Details of "adjustments for provisions" and "adjustments for impairment loss" lines presented in the consolidated statements of cash flows are as follows:

	1 January- December 31, 2024	1 January- December 31, 2023
Adjustments for provisions:		
Quota- incentive premium accruals	4,010,683	2,389,094
Provision for assembly and transportation cost	1,155,826	1,821,068
Provision for employment termination benefits	876,748	766,668
Warranty provision	276,216	708,279
Unused vacation	(89,793)	84,117
Accruals for bonuses and premiums	(174,805)	(118,198)
Provisions for legal claims	(583,891)	66,794
Other provisions	84,352	(38,647)
	5,555,336	5,679,175
	1 January- December 31, 2024	1 January- December 31, 2023
Adjustments for impairment loss:		
Provision for impairment on inventories	(471,116)	197,142
Provision for expected credit lose (Note 9)	185,942	250,790
	(285,174)	447,932

NOTE 38 - EVENTS AFTER BALANCE SHEET DATE

None.



Other Information

Proactive

Analysis

Proactive with risk-opportunity analysis

Innovative

Production

Science-based data

Responsible

Manufacturer

Responsible to shareholders

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GENERAL ASSEMBLY INFORMATION DOCUMENT

INFORMATION DOCUMENT FOR THE 2024 ORDINARY GENERAL ASSEMBLY MEETING DATED MARCH 28, 2025

1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY MEETING ON MARCH 28, 2025

Our company will hold the Ordinary General Assembly Meeting on March 28, 2025 (Friday) at 09:30 at Divan Istanbul Hotel, Asker Ocağı Cad. No:1, 34367 Elmadağ Şişli, Istanbul (Tel: +90 212 315 55 00, Fax: +90 212 315 55 15) to review the activities of 2024 and discuss and vote for a resolution regarding the below agenda.

The Financial Statements for 2024, the Independent Audit Report prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. the Articles of Association amendment proposal, the profit distribution proposal, and the Board of Directors' Annual Report, which includes explanations regarding compliance with Corporate Governance Principles and Sustainability Compliance, along with the detailed Information Document containing explanations required by the Capital Markets Board regulations, will be made available for shareholders' review three weeks prior to the meeting (excluding the announcement and meeting days) at the Company Headquarters, on the corporate website at www.arcelikglobal.com, on the Public Disclosure Platform (KAP), and in the Electronic General Assembly System.

Shareholders who cannot personally attend the meeting, without prejudice to their rights and obligations to participate electronically via the Electronic General Assembly System, are required to arrange their proxy documents in accordance with the legislation or obtain a sample proxy form from Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza, Levent-Istanbul), the Company Headquarters, or the corporate website at www.arcelikglobal.com. They must fulfill the requirements stipulated in the Communiqué on Voting by Proxy and Proxy Solicitation (II-30.1), published in the Official Gazette dated 24.12.2013 and numbered 28861, and submit their proxies to the Company. It is not necessary to submit a proxy document for representatives appointed via the Electronic General Assembly System. Proxy documents not prepared in accordance with the mandatory sample form will not be accepted due to legal obligations.

Shareholders who wish to vote electronically via the Electronic General Assembly System are kindly requested to obtain information from the Central Securities Depository (MKK), the corporate website at www.arcelikglobal.com, or the Company Headquarters (Tel: +90 212 314 34 34 - +90 212 314 39 56).

Pursuant to Article 415/4 of the Turkish Commercial Code No. 6102 and Article 30/1 of the Capital Markets Law, the right to attend and vote at the general assembly is not subject to the blocking of shares. Accordingly, shareholders are not required to block their shares to attend the General Assembly Meeting.

In accordance with Law No. 6698 on the Protection of Personal Data, detailed information regarding the processing of your personal data by our Company can be accessed through the Arçelik Anonim Şirketi Personal Data Protection and Processing Policy, which has been publicly shared on the website www.arcelikglobal.com.

Without prejudice to the provisions on electronic voting regarding the agenda items at the Ordinary General Assembly Meeting, the open voting method by raising hands will be applied. Sensitivity: Internal / Non-Personal Data

All right and interest holders, as well as media organizations, are invited to attend our General Assembly meeting.

In accordance with the Capital Markets Law, no additional notification will be made to shareholders holding registered shares traded on the stock exchange via registered mail.

Presented for the information of our esteemed shareholders.

ARÇELİK A.Ş. BOARD OF DIRECTORS

Company Address: Karaağaç Caddesi No:2-6 Sötlüce 34445 Beyoğlu-İstanbul

Trade Registry Number: Istanbul - 54957

Mersis Number: 0073001800000022 Sensitivity: Internal / Non-Personal Data

2. ADDITIONAL DISCLOSURES UNDER CMB REGULATIONS

Additional disclosures required under the Communiqué on Corporate Governance (II-17.1) of the Capital Markets Board ("CMB") are provided below for general information, while those related to the agenda items are included under the relevant agenda items:

2.1 Shareholding Structure and Voting Rights

As of the date of publication of this Information Document, the total number of shares and voting rights reflecting the shareholding structure of the company, along with information on the number of privileged shares representing each group, their voting rights, and the nature of privileges, if any, are presented below:

The issued share capital of the Company is TRY 675,728,205, and this issued capital has been fully paid in free of collusion. Each share with a nominal value of 1 Kr (Kuruş) grants one (1) voting right at the General Assembly meetings. There are no privileged shares in the Company's capital.

SHAREHOLDER	SHARE IN CAPITAL (%)	NOMINAL SHARE VALUE (TRY)	NUMBER OF SHARE AND VOTING RIGHT (Number)
KOÇ HOLDİNG 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 TİCARET VE YATIRIM A.Ş.	2.75%	18,576,870.00	1,857,687,000
VEHBİ KOÇ FOUNDATION	0.12%	808,976.88	80,897,688
TEKNOSAN BÜRO MAKİNA VE LEVAZIMI TİC.VE SAN. A.Ş.	12.05%	81,428,336.95	8,142,833,695
BURLA TİCARET VE YATIRIM A.Ş.	5.56%	37,571,663.05	3,757,166,305
ARÇELİK A.Ş.*	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

*The information document refers to the buy-back shares as of the date of disclosure to the public by Arçelik A.Ş.

Majority of the Koç Holding A.Ş. shares are held by Koç Family and the companies owned by the Family.

GENERAL ASSEMBLY INFORMATION DOCUMENT

2.2 Changes in Management and Operations which Shall Significantly Affect Corporate Operations of Our Company and Our Affiliated Partnerships:

Information regarding reasons of changes in the management and operations of our Company and its affiliated partnerships, which occurred in the preceding accounting period or which are planned for future accounting periods and which shall significantly affect corporate operations; is presented below:

- **Closing of the Transaction Regarding the Combination of Whirlpool Corporation and Arçelik's European Operations under Arçelik's Control and the Acquisition of Whirlpool Corporation's MENA Operations**

In line with Arçelik A.Ş.'s growth strategy, an Affiliates Agreement was signed between (i) Beko B.V., a 100% subsidiary of Arçelik, (ii) Arçelik as guarantor, (iii) Whirlpool EMEA Holdings LLC., a wholly-owned subsidiary of Whirlpool Corporation based in Delaware, (iv) Whirlpool as guarantor, and (v) Beko Europe B.V. as purchaser, for the purpose of combining the entire production, sales, and marketing subsidiaries of Arçelik and Whirlpool Corporation operating in Europe under a structure to be controlled by Arçelik with a majority stake.

On April 1, 2024, following the fulfillment of the closing conditions stipulated in the Agreement, the shares of Whirlpool Corporation's European production, sales, and marketing subsidiaries, wholly owned by Whirlpool Europe Holding B.V. ("Whirlpool Europe"), were transferred to Beko Europe as capital in kind, along with the transfer of shares of Arçelik's European subsidiaries to Beko Europe through capital in kind. As a result of these transactions, 75% of Beko Europe's capital was allocated to Beko B.V., and 25% was allocated to Whirlpool EMEA.

As announced in our material event disclosure dated August 12, 2024, in accordance with the finalized closing financial statements prepared to determine the final shareholding structure, the capital of Beko Europe was increased by €18,389,127 to maintain the existing shareholding structure, and the relevant amount was paid in cash by Beko B.V. in August. Based on the finalized closing financial statements of Whirlpool MEEA DMCC and Whirlpool Maroc S.a.r.l., Whirlpool EMEA made a €1,449,353 repayment to Beko B.V. in August for the closing adjustment.

Apart from the matters mentioned above, there are no other management or operational changes that significantly affect the Company's activities during the previous financial period or those planned for future financial periods. Material event disclosures made by our Company under the relevant regulations are accessible at <http://www.kap.gov.tr/>.

2.3 Information Regarding Requests of the Shareholders for Inclusion of Article in the Agenda:

Information on the requests of the shareholders of the partnership, submitted in writing to the Investor Relations Department regarding the inclusion of an item on the agenda, the requests that were not accepted in cases where the board of directors did not accept the requests of the shareholders, and the reasons for rejection are presented below:

No request has been submitted in writing to the Arçelik concerning the desire of shareholders to have an item added on the agenda.

3. EXPLANATIONS ON THE AGENDA ITEMS OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED MARCH 28, 2025

1. Opening and Election of the Meeting Chairman

In accordance with the provisions of the Turkish Commercial Code No. 6102 ("TCC"), the Regulation on the Procedures and Principles of General Assembly Meetings of Joint Stock Companies and the Ministry of Customs and Trade Representatives Attending These Meetings ("Regulation" or "General Assembly Regulation"), and Article 7 of the Internal Directive on the General Assembly, the Chairman of the Meeting who will preside over the General Assembly meeting will be elected. The Chairman of the Meeting will appoint at least one Minutes Clerk in accordance with the Internal Directive on the General Assembly. The Chairman may also appoint a sufficient number of Vote Collectors.

2. Presentation, Discussion, and Approval of the 2024 Annual Report Prepared by the Company's Board of Directors

In accordance with the TCC, the Regulation, the Capital Markets Law, and relevant regulations, the 2024 Annual Report, which has been made available for shareholders' review three weeks prior to the General Assembly meeting at the Company's headquarters, on the Public Disclosure Platform (KAP), the Electronic General Assembly portal, and on the Company's corporate website at www.arcelikglobal.com, will be presented to shareholders, discussed, and submitted for their approval.

3. Presentation of the Summary of the Independent Auditor's Report for the 2024

In accordance with the TCC and Capital Markets Board regulations, information regarding the Independent Auditor's Report, which has been made available to shareholders three weeks prior to the General Assembly meeting at the Company's headquarters, on KAP, the Electronic General Assembly portal, and the Company's corporate website at www.arcelikglobal.com, will be provided to the General Assembly.

4. Presentation, Discussion, and Approval of the Financial Statements for the 2024

In accordance with the TCC, the Regulation, the Capital Markets Law, and relevant regulations, the Company's financial statements prepared in accordance with Turkish Financial Reporting Standards (TFRS), as well as the financial statements prepared in accordance with the Tax Procedure Law (VUK), which have been made available for shareholders' review three weeks prior to the General Assembly meeting at the Company's headquarters, on KAP, the Electronic General Assembly portal, and the Company's corporate website at www.arcelikglobal.com, will be presented to shareholders, discussed, and submitted for their approval.

5. Release of each member of the Board of Directors from their liability for the Company's activities for the year 2024

In accordance with the provisions of the TCC and the Regulation, the release of each member of the Board of Directors regarding their activities, transactions, and accounts for the year 2024 will be submitted to the approval of the General Assembly.

GENERAL ASSEMBLY INFORMATION DOCUMENT

6. Discussion and Approval of the Proposed Amendments to the Company's "Profit Distribution Policy" for 2025 and the Following Years in Accordance with Capital Markets Board Regulations

The proposed amendments to the Company's Profit Distribution Policy, as outlined in Annex/1, will be submitted to the approval of the General Assembly. The proposed amendments have been made available for shareholders' review three weeks prior to the General Assembly meeting at the Company's headquarters, on the Electronic General Assembly System of the Central Securities Depository (MKK), and on the Investor Relations section of the Company's corporate website at www.arcelikglobal.com. The amendment proposal and its justification were approved by the Board of Directors at its meeting dated 03.03.2025 and numbered 1216, and were publicly disclosed on the same date via the Public Disclosure Platform (KAP).

7. Acceptance, Amendment, or Rejection of the Board of Directors' Proposal Regarding the Distribution of 2024 Profit and the Profit Distribution Date Prepared in Accordance with the Company's Profit Distribution Policy

According to the financial statements prepared by the Company in compliance with the TCC, Capital Markets Law, and Turkish Accounting/Financial Reporting Standards (TFRS), audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., the "Consolidated Net Period Profit" attributable to the parent company for the fiscal year between 01.01.2024 - 31.12.2024 is TRY 1,689,081,675.168. Taking into consideration the Company's Profit Distribution Policy, long-term strategies, investment and financing policies, profitability, and cash position, the proposal regarding the distribution of profit, prepared in accordance with Capital Markets Board Communiqué No. II-19.1 on Dividend Payments and the Dividend Payment Guide published under this communiqué, is presented in Annex/2 and will be submitted for the approval of the General Assembly.

8. Acceptance, Amendment, or Rejection of the Board of Directors' Proposal Regarding the Amendment of Article 6 Titled "Capital" of the Company's Articles of Association to Increase the Registered Capital Ceiling and Extend Its Validity Period, Provided That the Necessary Approvals Have Been Obtained from the Capital Markets Board and the Ministry of Trade

Pursuant to the Board of Directors' decision dated 15.01.2025 and numbered 1208, the proposal to increase the Company's registered capital ceiling to TRY 3,000,000,000 and to extend the validity period of the registered capital ceiling to cover the years 2025-2029 will be submitted to the approval of the General Assembly. The related Board of Directors decision and the proposed amendments to the Articles of Association are presented in Annex/3. The amendments have been approved by the Capital Markets Board (CMB) on 21.01.2025 and by the Ministry of Trade on 03.02.2025.

9. Informing Shareholders About the Ongoing Share Buyback Program

With the Board of Directors' decision dated 01.07.2021, due to the effects of evolving market and economic conditions globally on the industry in which Arçelik A.Ş. operates and their reflection on Turkish capital markets, it was evaluated that the Company's value on Borsa İstanbul did not reflect the true performance of its operations. To contribute to the formation of a healthy price, the Board decided to initiate share buyback transactions on the stock exchange in accordance with the Capital Markets Board's Communiqué on Buyback Shares (II-22.1) and the Capital Markets Board's announcements dated 21.07.2016, 25.07.2016, and 23.03.2020. This decision was approved at the Company's Ordinary General Assembly Meeting held on 23.03.2022.

Within the authority granted to the Board of Directors at the Ordinary General Assembly Meeting dated 23.03.2022, the Board resolved in its meeting dated 24.05.2022 to continue the share buyback transactions initiated with the decision dated 01.07.2021 and to repurchase the Company's shares on the stock exchange.

The most recent share buyback transaction was carried out on 18.08.2022, and no share buybacks were conducted in 2024. The amount of repurchased shares is disclosed in Note 24 of the Company's financial statements dated 31.12.2024, with no change as of the date of this information document. Accordingly, shareholders will be informed that the ongoing share buyback program, implemented for a three-year period under the relevant regulation, will expire in 2025.

10. Determination of the Number and Term of Office of the Board of Directors Members, Election of Members According to the Determined Number, and Election of Independent Board Members

In accordance with CMB regulations, the TCC, the Regulation, and the relevant provisions of the Company's Articles of Association regarding the election of Board Members, new members will be elected to replace those whose terms have expired. Additionally, independent Board Members will be elected in compliance with the CMB Communiqué on Corporate Governance No. II-17.1.

Pursuant to Article 10 of the Articles of Association, the Company is managed by a Board of Directors consisting of at least 5 members, elected by the General Assembly for a maximum term of 3 years in accordance with the TCC. The General Assembly may decide to renew the Board of Directors even if its term has not yet expired.

One-third of the elected Board Members must meet the independence criteria defined in the mandatory Corporate Governance Principles of the CMB. Based on the nominees evaluated by the Corporate Governance Committee and the Board of Directors' resolution, the following individuals have been determined as Independent Board Member nominees: Ayşe Canan Ediboğlu, Galya Fani Molinas, Tuğrul Fadilloğlu, Ahmet Kirman.

No negative opinion has been expressed by the Capital Markets Board (CMB) regarding the independent board member nominees Mr. Tuğrul Fadilloğlu, Ms. Ayşe Canan Ediboğlu, Ms. Galya Fani Molinas, and Mr. Ahmet Kirman. The resumes of the Board Member nominees and the declarations of independence of the independent board member nominees are presented in Annex/4.

11. Informing Shareholders and Approval of the Remuneration Policy for Board Members and Senior Executives in accordance with Corporate Governance Principles

Pursuant to the CMB's mandatory Corporate Governance Principle No. 4.6.2, the remuneration principles for board members and senior executives must be documented in writing and presented as a separate agenda item at the General Assembly meeting to allow shareholders to express their opinions. The Remuneration Policy prepared for this purpose is presented in Annex/5. Information regarding benefits provided to board members and senior executives in 2024 is disclosed in Note 34 of the Company's financial statements for the year.

GENERAL ASSEMBLY INFORMATION DOCUMENT

12. Determination of the Annual Gross Fees of Board Members

Under the Remuneration Policy submitted for shareholders' approval in agenda item 11, the annual gross remuneration amount of board members for the fiscal year 2025 will be determined by the shareholders.

13. Approval of the selection of the Independent Audit Firm by the Board of Directors, in accordance with the Turkish Commercial Code, Capital Markets Board regulations, and the Public Oversight, Accounting, and Auditing Standards Authority regulations

In compliance with the Turkish Commercial Code, Capital Markets Board regulations, and the regulations of the Public Oversight, Accounting, and Auditing Standards Authority (KGK), based on the opinion of the Audit Committee, the Board of Directors resolved on 14.02.2025 to select Güney Independent Audit and Certified Public Accounting Inc. as the independent audit firm for the audit of the Company's financial reports for the fiscal year 2025.

This firm will also carry out mandatory sustainability assurance audits and other related activities in accordance with the Turkey Sustainability Reporting Standards issued by KGK, provided that it is authorized by KGK to conduct independent audits in the sustainability field.

The selection of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. will be submitted for the approval of the General Assembly. The firm was authorized by KGK on 18.02.2025 to conduct independent audits in the field of sustainability.

14. Within the scope of the Company's Donation and Sponsorship Policy, informing the shareholders on the donations made by the Company in 2024 and determining an upper limit for donations for the year 2025,

The Arçelik A.Ş. Donation and Sponsorship Policy, adopted by the Board of Directors on 22.03.2021 and approved by shareholders at the General Assembly Meeting dated 23.03.2022, is presented in accordance with Corporate Governance Principle 1.3.10.

According to Article 6 of the CMB's Dividend Communiqué No. II-19.1, if the upper limit of donations is not specified in the Articles of Association, the donation limit must be determined by the General Assembly, and donations made must be disclosed at the Ordinary General Assembly meeting.

In line with the Company's Donation and Sponsorship Policy, the total nominal amount of donations made by Arçelik A.Ş. to foundations and associations in 2024 was TRY 42,786,043.67 (TRY 64,077,780.06 when adjusted to the purchasing power as of 31 December 2024).

The distribution of the donations is as follows: TRY 968,547.31 to Vehbi Koç Foundation, TRY 24,450,000.00 to Rahmi M. Koç Museum and Culture Foundation, TRY 12,614,997.21 to Public Institutions and Organizations, TRY 3,350,092.40 to various universities. The remaining amount consists of various donations to institutions and organizations under TRY 1,000,000, which are not considered significant for investors. The upper limit for donations in 2025 will be determined by the General Assembly.

15. Presentation to the shareholders of the collaterals, pledges, mortgages and sureties granted in favor of third parties in the year 2024 and of any benefits or income thereof in accordance with the Capital Markets Board regulations,

Pursuant to Article 12 of the CMB Corporate Governance Communiqué No. II-17.1, the guarantees, pledges, mortgages, and sureties provided by the Company and its subsidiaries for the benefit of third parties, along with the income or benefits obtained, must be included as a separate agenda item at the Ordinary General Assembly Meeting. This information is disclosed in Note 17 of the Company's financial statements dated 31.12.2024.

16. Authorization of the shareholders that have management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree as per the provisions of articles 395 and 396 of the Turkish Commercial Code and presentation to the shareholders of the transactions carried out thereof in the year 2024 pursuant to the Corporate Governance Communiqué of the Capital Markets Board,

Under Articles 395 and 396 of the Turkish Commercial Code (TCC), board members must obtain the approval of the General Assembly to carry out transactions with the Company or its subsidiaries or to compete with the Company. According to mandatory Corporate Governance Principle No. 1.3.6 of the CMB, if shareholders with management control, board members, senior executives, or their spouses and relatives up to the second degree engage in significant transactions that could cause a conflict of interest with the Company or its subsidiaries, or perform commercial activities falling within the scope of the Company's business either on their own behalf or on behalf of others, or become a partner with unlimited liability in another company engaged in the same business, detailed information on such transactions must be presented to the General Assembly and recorded in the meeting minutes.

17. Information to shareholders about the Company's activities in 2024 regarding its transition plan to a low-carbon economy,

As part of its commitment to combating climate change, Arçelik continues to take actions to reduce greenhouse gas emissions. In this context, Arçelik's new target aligned with the Net Zero Standard was approved by the Science Based Targets initiative (SBTi) in November 2024. Arçelik continues its renewable energy investments in line with its emission reduction targets.

A significant development in the field of reporting is the publication of the Turkey Sustainability Reporting Standards in the Official Gazette, making it mandatory for certain companies. Arçelik's 2024 Integrated Report, which will be published in 2025, will be prepared in accordance with these standards. Additionally, the requirements under the EU Corporate Sustainability Reporting Directive (CSRD) will be voluntarily applied in this report.

Informing shareholders about Arçelik's low-carbon economy transition actions and sustainability reporting obligations at the General Assembly is crucial for all stakeholders. Therefore, shareholders will be updated on the latest developments during the General Assembly meeting.

18. Wishes and observations.

GENERAL ASSEMBLY INFORMATION DOCUMENT

ANNEXES:

ANNEX/1: Proposal for Amendment to the Dividend Policy

ANNEX/2: Board of Directors' Proposal on the Distribution of 2024 Profit (see ⓘ page 17) and Proposed Profit Distribution Table (see ⓘ page 18)

ANNEX/3: Amendment to the Articles of Association and Relevant Board of Directors Resolution

ANNEX/4: Resumes of Board Member Nominees and Independence Declarations of Independent Board Member Nominees

ANNEX/5: Remuneration Policy for Board Members and Top Management (see ⓘ page 20-21)

PROPOSAL FOR AMENDMENT TO THE DIVIDEND POLICY

“Our Company distributes dividend in accordance with the provisions of the Turkish Commercial Code, Capital Markets Regulations, Tax Regulations, and other relevant regulations, as well as the article of our Articles of Association regarding profit distribution. In profit distribution, a balanced and consistent policy is followed between the interests of shareholders and the Company in line with Corporate Governance Principles.

As a principle, provided that the relevant regulations, investment needs, and financial means allow, at least 50% of the Company's net distributable profit for the period calculated within the framework of Capital Markets Regulations is distributed, taking into account market expectations, long-term company strategy, investment and financing policies, profitability, and cash position, as long as it can be covered from the resources available in our statutory records by decision of the Ordinary General Assembly or, if necessary, the Extraordinary General Assembly to be held during the year.

There is no privilege in profit distribution. The dividend is distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates. It is aimed to distribute the profit within one month following the General Assembly meeting, and the General Assembly determines the distribution date. The General Assembly or the Board of Directors, if authorized, may decide on the installment payment of the dividend in accordance with Capital Markets Regulations. According to the Company's Articles of Association, the Board of Directors may distribute advance dividends, provided that it is authorized by the General Assembly and complies with Capital Markets Regulations.”

*The updated sections of the Profit Distribution Policy are highlighted in underline.

ANNEX/3 AMENDMENT TO THE ARTICLES OF ASSOCIATION AND RELEVANT BOARD OF DIRECTORS RESOLUTION

With the decision of our Board of Directors dated January 15, 2025, it was resolved to apply for the necessary approvals from the Capital Markets Board and the Ministry of Trade to amend Article 6 of the Company's Articles of Association titled "Capital" for the purpose of increasing the registered capital ceiling and extending its validity period. The proposed amendments will be presented for the approval of shareholders at the first General Assembly Meeting, and the decision taken in this regard will be registered and announced.

The draft amendments to the Articles of Association, which were approved by the Capital Markets Board on January 21, 2025, and by the Ministry of Trade on February 3, 2025, will be presented for shareholders' approval under the 8th agenda item of the General Assembly.

Current Text	Revised Text
<p>[Article 6 - Capital]</p> <p>The Company has adopted authorized capital system in accordance with the provisions of Law nr. 6362 and transited to authorized capital system with 28.10.1982 dated and 61 numbered permit of Capital Markets Board.</p> <p>Upper limit of Company's authorized capital is TRY 1,500,000,000.00 (One billion and five hundred million Turkish Liras); divided into 150,000,000,000.00 (One hundred and fifty billion) registered shares, each with a nominal value of 1 (One) Kurus.</p> <p>The permit provided by the CMB for the upper limit of authorized capital is valid for the years between 2021-2025 (5 years). At the end of 2025, even if upper limit of authorized capital are not attained, in order to enable board of directors to take capital increase decision after 2025, it is mandatory to obtain authority from general assembly for a new period not exceeding 5 years by obtaining the permit of Capital Markets Board for previously permitted upper limit or a new upper limit. In case abovementioned authorization shall not be obtained, the Company cannot make a capital increase by a decision of the board of directors.</p> <p>The issued capital of Company is TRY 675,728,205.00 (Six hundred seventy five million and seven hundred twenty eight thousand and two hundred and five Turkish Liras) and mentioned issued capital is fully paid as free of collusion. Corporate stocks are tracked based on records within the framework of dematerialization principles. If necessary, Company's capital may be increased or decreased within the framework of the provisions of Turkish Commercial Code and Capital Markets Board. The Board of Directors is authorized to increase the issued capital by issuing new shares up to upper limit of authorized capital when deemed as necessary in accordance with the provisions of Capital Markets Law and to take decisions on limiting the rights of shareholders for acquiring new shares and on issuing shares at a premium or under its 6 nominal value. Authority of limiting the new share acquirement shall not be used in a way that causes disparity among shareholders.</p>	<p>[Article 6 - Capital]</p> <p>The Company has adopted authorized capital system in accordance with the provisions of Law nr. 6362 and transited to authorized capital system with 28.10.1982 dated and 61 numbered permit of Capital Markets Board.</p> <p>Upper limit of Company's authorized capital is TRY 3,000,000,000.00 (Three billion Turkish Liras), divided into 300,000,000,000.00 (Three hundred billion Turkish Liras) registered shares, each with a nominal value of 1 (One) Kurus.</p> <p>The permit provided by the CMB for the upper limit of authorized capital is valid for the years between 2025-2029 (5 years). At the end of 2029, even if upper limit of authorized capital are not attained, in order to enable board of directors to take capital increase decision after 2029, it is mandatory to obtain authority from general assembly for a new period not exceeding 5 years by obtaining the permit of Capital Markets Board for previously permitted upper limit or a new upper limit. In case abovementioned authorization shall not be obtained, the Company cannot make a capital increase by a decision of the board of directors.</p> <p>The issued capital of Company is TRY 675,728,205.00 (Six hundred seventy five million and seven hundred twenty eight thousand and two hundred and five Turkish Liras) and mentioned issued capital is fully paid as free of collusion. Corporate stocks are tracked based on records within the framework of dematerialization principles. If necessary, Company's capital may be increased or decreased within the framework of the provisions of Turkish Commercial Code and Capital Markets Board. The Board of Directors is authorized to increase the issued capital by issuing new shares up to upper limit of authorized capital when deemed as necessary in accordance with the provisions of Capital Markets Law and to take decisions on limiting the rights of shareholders for acquiring new shares and on issuing shares at a premium or under its 6 nominal value. Authority of limiting the new share acquirement shall not be used in a way that causes disparity among shareholders</p>

GENERAL ASSEMBLY INFORMATION DOCUMENT

RESUMÉS OF CANDIDATE MEMBERS OF THE BOARD OF DIRECTORS AND THE STATEMENTS OF INDEPENDENCE OF INDEPENDENT CANDIDATE MEMBERS

Prof. Dr. Ahmet Kirman

(Independent Board Member Nominee)

Prof. Dr. Ahmet Kirman graduated from Ankara University, Faculty of Law. He earned his master's degree in EU Competition Law and his Ph.D. in Commercial Law. He served as an Associate Professor and later as a Professor of Financial Law at Ankara University. Additionally, he held various positions, including Faculty Member, Division Head, Head of the Finance Department, and Institute Director at the Faculty of Political Science, Ankara University. Prof. Dr. Kirman also contributed as a Faculty Member at the Faculty of Law, Galatasaray University. Currently, he continues to deliver lectures to postgraduate students at Galatasaray University and serves as a member of the Advisory Board at Galatasaray Law Faculty. Moreover, he is an esteemed member of the Board of Trustees at Koç University.

Dr. Kirman also holds a lawyer and certified public accountant license. He practiced law in tax law and capital markets/ insurance and similar financial fields. Prof. Dr. Kirman embarked on his professional journey in 1981 as a judge for the Council of State. Following this, he joined Türkiye İş Bankası A.Ş., where he held diverse roles in banking and insurance. He served as the Chairman of Türkiye İş Bankası A.Ş., Milli Reasurans T.A.Ş., Destek Reasurans A.Ş., and Petrol Ofisi A.Ş., and was a Board Member at several other prominent companies. While chairing the Board of Directors at Türkiye İş Bankası A.Ş., he concurrently held the positions of Chairman of the Audit Committee and member of the Inspection Board.

During his tenure at Sisecam, Prof. Dr. Kirman assumed various leadership roles, including Chairman and fully authorized Executive Member from 2006 to 2011, Vice Chairman and CEO from 2011 to 2021, Chairman and CEO from March 30, 2021, to July 1, 2021, and Chairman since July 1, 2021. As of March 28, 2022-1 July 2024 he served as the Chairman and Executive Member of the Board. Additionally, Dr. Kirman served as Chairman in several Sisecam companies based in Russia, Netherlands, Bulgaria, Hungary, UK and USA. Recognizing his significant lifetime contributions to glass science and technology, knowledge exchange, and the glass community, Prof. Dr. Kirman received the "President's Award" from the International Commission on Glass (ICG). He was honored with the title of "Cavaliere" of "the Order of the Star of Italy," nominated by the Minister of Foreign Affairs and bestowed by the President of the Italian Republic, for fostering economic bilateral relations and mutual investments between Italy and Türkiye.

Prof. Dr. Kirman also received the “Medal of Valorous Labor” from the President of Tatarstan in appreciation of his contributions to development and economic cooperation with Tatarstan. Furthermore, he was honored with the “Medal of Appreciation” for his contributions to the economic development of Targovishte, Bulgaria. Notably, he was awarded “Chairman of the Year” at the Le Fonti Awards, Italy’s leading economics media platform, and was named “Glass Person of the Year 2023” for his enduring, significant, and valuable contributions to the glass industry. In his extensive involvement in various organizations, Prof. Dr. Kirman served as the Chairman and Member of the Board of Directors at ICC and was also a Member of TEPAV’s Board of Trustees and Board of Directors, along with BTHE and IAV’s Board of Directors. He worked as a financial law consultant at the Central Bank of the Republic of Turkey between 1988 and 1993. Dr. Kirman has been the financial law consultant of the Banks Association of Turkey since 1986. In this context, he also served as a member of the Tax Council of the Ministry of Finance of the Republic of Turkey.

He contributed as a Member of the Board of Directors and Committee of Legal Affairs at the Turkish Shooting and Hunting Federation. Furthermore, he participated in numerous specialized training programs, including Banking & Financials, The Fundamentals of International Finance & Advanced Aspects of International Finance in 1997 at Queen Mary and Westfield College of London, and Finance for Lawyers, International Taxation & Offshore Financial Planning. Authoring 12 books and various scholarly articles, Prof. Dr. Kirman has been invited as a keynote speaker at numerous scientific and business events. Beyond his professional endeavors, he excelled in parachuting and shooting sports, winning the gold medal in shooting at the 1978 Balkan Championship. He also established an aviation history section for the Rahmi M. Koc Museum in Istanbul as part of his scaled model hobby, with his models on display following the living museum approach.

Kirman has not held any other positions at Arçelik A.Ş. or its subsidiaries in the last five years. She has no direct relationship with senior executives of Arçelik A.Ş. She does not own directly or indirectly more than 5% of the capital of Arçelik A.Ş., does not represent any employees, and does not have any commercial relationship with Arçelik A.Ş.

Note: For the CVs of other Board member candidates, see (📄 page 268-273).

DECLARATIONS FOR INDEPENDENCY

I hereby represent that, I am a candidate for carrying our duty as “independent member” in Board of Directors of Arçelik A.Ş. (Company) within the scope of criteria specified in legislation, articles of association and Corporate Governance Communique of Capital Markets Board and in this context;

- a) There is no employment relation at executive level that would assume material tasks, duties and responsibilities in the last five years between the Company, or such companies in which the Company controls or has a material influence over the management, or such shareholders which control or have a material influence over the Company's management and any legal entity holding management control over these shareholders, on the one hand, and myself, my spouse and next of kin by blood and affinity kinship up to second degree, and there is no individual or joint holding of more than 5% in the capital or voting stocks or preferential stocks or no material business or commercial relation has been established,
- b. I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held a shareholding (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the supplier's or buyer's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,
- c. I have necessary professional education and training, knowledge and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,
- d. I shall not work on a full-time basis at public agencies and institutions after my appointment as the member except for the lecture position at universities in line with the applicable legislation,
- e. I am deemed to be resident in Turkey according to Income Tax Law (I.T.L.) dated 31/12/1960 and numbered 193,
- f. I have professional prestige and reputation and experience as well as strong ethical standards to make me competent enough to favorably contribute to the corporate operations, to maintain my neutrality in conflicts of interest between the company and the shareholders and to freely decide by taking into consideration the rights of interest holders,
- g. I will be able to spare enough time to follow up the process of company operations and fulfil all requirements of the duties I undertake, in full,
- h. I have not carried out a duty as board member in Company's Board of Directors for more than six years, within last ten years,
- i. I am not holding an independent board member position in more than five publicly traded company in total or in more than three companies in which the company or the shareholders controlling the company hold the controlling powers over the management,
- j. I have not been registered and published in the name of the legal entity which is appointed as the board member.

(The original is signed.)

TUĞRUL FADILLIOĞLU

I hereby represent that, I am a candidate for carrying out duty as “independent member” in Board of Directors of Arçelik A.Ş. (Company) within the scope of criteria specified in legislation, articles of association and Corporate Governance Communique of Capital Markets Board and in this context;

- a) There is no employment relation at executive level that would assume material tasks, duties and responsibilities in the last five years between the Company, or such companies in which the company controls or has a material influence over the management, or such shareholders which control or have a material influence over the Company's management and any legal entity holding management control over these shareholders, on the one hand, and myself, my spouse and next of kin by blood and affinity kinship up to second degree, and there is no individual or joint holding of more than 5% in the capital or voting stocks or preferential stocks or no material business or commercial relation has been established,
- b. I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held a shareholding (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the supplier's or buyer's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,
- c. I have necessary professional education and training, knowledge and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,
- d. I shall not work on a full-time basis at public agencies and institutions after my appointment as the member except for the lecture position at universities in line with the applicable legislation,
- e. I am deemed to be resident in Turkey according to Income Tax Law (I.T.L.) dated 31/12/1960 and numbered 193,
- f. I have professional prestige and reputation and experience as well as strong ethical standards to make me competent enough to favorably contribute to the corporate operations, to maintain my neutrality in conflicts of interest between the company and the shareholders and to freely decide by taking into consideration the rights of interest holders,
- g. I will be able to spare enough time to follow up the process of company operations and fulfil all requirements of the duties I undertake, in full,
- h. I have not carried out a duty as board member in Company's Board of Directors for more than six years, within last ten years,
- i. I am not holding an independent board member position in more than five publicly traded company in total or in more than three companies in which the company or the shareholders controlling the company hold the controlling powers over the management,
- j. I have not been registered and published in the name of the legal entity which is appointed as the board member.

(The original is signed.)

AYŞE CANAN EDİBOĞLU

DECLARATIONS FOR INDEPENDENCY

I hereby represent that, I am a candidate for carrying out my duty as "independent member" in the Board of Directors of Arçelik A.Ş. (the Company), under the criteria specified in the legislation, the articles of association, and the Corporate Governance Communiqué of the Capital Markets Board, other than the criteria related to being considered a resident in Turkey according to the Income Tax Law;

- a) There is no employment relation at executive level that would assume material tasks, duties and responsibilities in the last five years between the Company, or such companies in which the company controls or has a material influence over the management, or such shareholders which control or have a material influence over the Company's management and any legal entity holding management control over these shareholders, on the one hand, and myself, my spouse and next of kin by blood and affinity kinship up to second degree, and there is no individual or joint holding of more than 5% in the capital or voting stocks or preferential stocks or no material business or commercial relation has been established,
- b. I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held a shareholding (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the supplier's or buyer's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,
- c. I have necessary professional education and training, knowledge and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,
- d. I shall not work on a full-time basis at public agencies and institutions after my appointment as the member except for the lecture position at universities in line with the applicable legislation,
- e. I have professional prestige and reputation and experience as well as strong ethical standards to make me competent enough to favorably contribute to the corporate operations, to maintain my neutrality in conflicts of interest between the company and the shareholders and to freely decide by taking into consideration the rights of interest holders,
- f. I will be able to spare enough time to follow up the process of company operations and fulfil all requirements of the duties I undertake, in full,
- g. I have not carried out a duty as board member in Company's Board of Directors for more than six years, within last ten years,
- h. I am not holding an independent board member position in more than five publicly traded company in total or in more than three companies in which the company or the shareholders controlling the company hold the controlling powers over the management,
- i. I have not been registered and published in the name of the legal entity which is appointed as the board member.

(The original is signed.)

GALYA FANI MOLINAS

I hereby represent that, I am a candidate for carrying out duty as “independent member” in Board of Directors of Arçelik A.Ş. (Company) within the scope of criteria specified in legislation, articles of association and Corporate Governance Communique of Capital Markets Board and in this context;

- a) There is no employment relation at executive level that would assume material tasks, duties and responsibilities in the last five years between the Company, or such companies in which the Company controls or has a material influence over the management, or such shareholders which control or have a material influence over the Company's management and any legal entity holding management control over these shareholders, on the one hand, and myself, my spouse and next of kin by blood and affinity kinship up to second degree, and there is no individual or joint holding of more than 5% in the capital or voting stocks or preferential stocks or no material business or commercial relation has been established,
- b. I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held a shareholding (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the supplier's or buyer's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,
- c. I have necessary professional education and training, knowledge and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,
- d. I shall not work on a full-time basis at public agencies and institutions after my appointment as the member except for the lecture position at universities in line with the applicable legislation,
- e. I am deemed to be resident in Turkey according to Income Tax Law (I.T.L.) dated 31/12/1960 and numbered 193,
- f. I have professional prestige and reputation and experience as well as strong ethical standards to make me competent enough to favorably contribute to the corporate operations, to maintain my neutrality in conflicts of interest between the company and the shareholders and to freely decide by taking into consideration the rights of interest holders,
- g. I will be able to spare enough time to follow up the process of company operations and fulfil all requirements of the duties I undertake, in full,
- h. I have not carried out a duty as board member in Company's Board of Directors for more than six years, within last ten years,
- i. I am not holding an independent board member position in more than five publicly traded company in total or in more than three companies in which the company or the shareholders controlling the company hold the controlling powers over the management,
- j. I have not been registered and published in the name of the legal entity which is appointed as the board member.

(The original is signed.)

PROF. DR. AHMET KIRMAN

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There was no transaction notice in this manner.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				A separate agenda item has been included in the general assembly agenda for donations. Information about the main institutions that received donations is provided to the general assembly; however, the balance amount not detailed in the information document consists of various donations made to different institutions and organizations, which are not considered significant information for investors. It is planned to continue providing explanations in the following years based on an importance threshold to be determined according to the conditions of the day.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Arçelik A.Ş. does not have any reciprocal ownership relationships that would lead to control relationships.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights have not been granted to those holding less than one-twentieth of the capital by the articles of association. In line with general practices, rights have been provided within the framework of the general provisions in minority regulations. No changes are anticipated in this regard in the near future.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although there is the possibility to present an opinion in such a case, there has not been any notification made by the BoD members who could not attend the meetings.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/ written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Due to the significant contribution of Directors to the Board, the experience of the members of the Board of Directors is not limited to taking on other duties outside the company. Curriculum vitae of our board members are included in our annual report. Considering the effective work of the board of directors, there is no change in the current practice, which is considered not to create any negative situation in terms of corporate governance, in the short term.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			The assignment of the committees is made in accordance with the relevant regulations, taking into account the knowledge and experience of our board members. Only one independent board member has been appointed on two committees. Members in more than one committee provide communication between the committees involved in related matters and increase the opportunities for cooperation. The existing committee structure is evaluated effectively, taking into account the efficient work of the board members with the contribution of their knowledge and experience; No need for changes in the near future is anticipated.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	There is no consultancy service for this purpose.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Payments made to the members of the Board of Directors and senior executives are disclosed to the public collectively in line with the general practices in the General Assembly and in our financial statements footnotes. Market practices are closely monitored on an issue that is considered important in terms of confidentiality of personal information, and it is envisaged to act in parallel with common practice.

CORPORATE GOVERNANCE INFORMATION FORM

SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year	In 2024, participation was made in 10 investor events both domestically and internationally, and 256 investor and analyst meetings were held. Additionally, 4 conference calls regarding financial results were organized throughout the year.
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1.2. Right to Obtain and Examine Information

The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1257187
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes, English and Turkish materials are provided at the same time
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There are no such transactions
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There are no such transactions
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1255075
The name of the section on the corporate website that demonstrates the donation policy of the company	The upper limit for donations and grants is determined at the general assembly each year, and the related donation policy can be found at the following link: https://www.arcelikglobal.com/en/company/investor-relations/policies/
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/920058
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	14-a
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	General assembly meetings have been held publicly, including stakeholders and the media, without the right to speak.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	41.43%

1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association

No

If yes, specify the relevant provision of the articles of association.

-

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

Company / Investor Relations / Policies / Profit Distribution Policy

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.

At the meeting of our Board of Directors on March 8, 2024, taking into account the current economic conditions as well as the Company's investment and financing policies, it was proposed not to distribute dividends in order to increase the Company's free cash, strengthen the liquidity position, optimize financing expenses, and further strengthen the balance sheet structure. The minutes regarding the relevant general assembly agenda item are presented below. "The proposal of the Board of Directors regarding the profit distribution for the year 2023 was discussed, stating that it was announced at least 3 weeks before the General Assembly meeting on the Public Disclosure Platform, the Electronic General Assembly System of the Central Securities Depository Inc., the Company's corporate website at www.arcelikglobal.com, and in the printed 2023 Annual Report. According to the financial statements for the period from January 1 to December 31, 2023, prepared based on the Turkish Financial Reporting Standards (TFRS) by Arçelik A.Ş. management and audited by PwC Independent Audit and Certified Public Accountant and presented in the activity report; in accordance with the Capital Markets Board regulations and Article 18 of the Company's Articles of Association and the Profit Distribution Policy approved at the General Assembly on March 27, 2014, and considering the current economic conditions along with the Company's investment and financing policies, it was proposed not to distribute dividends this year in order to increase the Company's free cash, strengthen the liquidity position, optimize financing expenses, and further strengthen the balance sheet structure. The current year profit of TRY 9,283,212,750.33, calculated according to the VUK records, will be left in the Retained Earnings account as a result of inflation adjustment. The net period profit of TRY 7,667,335,809.37, based on the TMS/TFRS financial statements, will be transferred to retained earnings. It was informed to the general assembly that, according to the CMB's decision dated March 7, 2024, there is no accumulated past years' loss based on the financial statements prepared according to VUK records due to inflation adjustment; therefore, no offsetting operation is required."

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

<https://www.kap.org.tr/en/Bildirim/1267666>

CORPORATE GOVERNANCE INFORMATION FORM

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
4/4/2024	0	74.87%	0.06%	74.81%	Company / Investor Relations / General Assembly / Ordinary General Assembly Meeting on 04.04.2024	0 questions have been submitted under Corporate Governance Principle 1.3.5.	-	0	https://www.kap.org.tr/en/Bildirim/1267666

DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Company / Investor Relations / Company Information, Financial Summary, Financial Reports & Presentations, Stock Information, Corporate Governance, Investor Event Calendar, Policies, Merger & Partial Demerger and Debt Securities Issuance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations / Company Information / Detailed shareholding structure of Arçelik A.Ş.
List of languages for which the website is available	Turkish & English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	It is included under the section of "Explanations on Corporate Governance" and "Other Informations".
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Explanations on Corporate Governance / Number, Structure and Independence of the Committees Established by the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Explanations on Corporate Governance / Working Principles and Procedures of the Board of Directors
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Explanations on Corporate Governance / Other Disclosures

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Explanations on Corporate Governance / Other Disclosures
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Explanations on Corporate Governance / Other Disclosures
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Explanations on Corporate Governance / Other Disclosures
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Explanations on Corporate Governance / Stakeholders
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Company/Policies/Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	0
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Global Compliance Manager and relevant compliance officer. According to Arçelik Global Business Ethics Principles Operations Policy, after a claim is reported, it should be reviewed immediately and the first analysis of the claims should be made by the relevant Compliance Officer. Where appropriate, the Compliance Officer should consult with the Global Compliance Manager to determine if an investigation is necessary and, if so, be part of the investigation team.
The contact detail of the company alert mechanism	https://www.arcelikglobal.com/en/company/about-us/global-code-of-conduct/ and www.ethicsline.net
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Company / Investor Relations / Corporate Governance / Corporate Governance Reports
Corporate bodies where employees are actually represented	In our company, both unionized and non-unionized colleagues participate in the management with different methods and share their views. With the Employee Engagement Survey conducted every year, the opinion of each colleague is taken as an anonymous questionnaire in the form of open-ended responses. With various communication meetings, information about the company is shared with employees, dealers and other stakeholders and questions and comments of these stakeholders are taken.

CORPORATE GOVERNANCE INFORMATION FORM

3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	A succession plan is created for all key management positions. This Succession Plan is finalized by submitting the approval of the Chairman of the Board of Directors following the approval of the CEO.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	It is available on our corporate website with the title of Company/ Policies/ Declaration on Equality at Work. In addition, the issue of equal opportunity in recruitment is emphasized in the Global Code of Business Ethics.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	It is available on our corporate website with the title of Sustainability / InTouch / Areas / Diversity and Inclusion
The number of definitive convictions the company is subject to in relation to health and safety measures	8

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	It is available on our corporate website with the title of Company/ Policies/ Global Code of Business Ethics. https://www.arcelikglobal.com/media/5510/1_global-code-of-conduct_.pdf
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Sustainability /Reports and Presentations / Sustainability Report
Any measures combating any kind of corruption including embezzlement and bribery	Principles related to the subject are included in the Global Code of Business Ethics.

BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	27.12.2024
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegation was delegated among the board members.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Explanations on Corporate Governance/ Risk Management and Internal Control Mechanism
Name of the Chairman	Rahmi M. Koç
Name of the CEO	Hakan Bulgurlu
If the CEO and Chair functions are combined; provide the link to the relevant PDP announcement providing the rationale for such combined roles	-

Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital

<https://www.kap.org.tr/en/Bildirim/1311148>

The name of the section on the corporate website that demonstrates current diversity policy targeting women directors

Company / Policies / Board Diversity Policy

The number and ratio of female directors within the Board of Directors

3 (25%)

Board Members

Name-Surname	Whether Executive Director or Not	Independent Board Member or not	The First Election Date To Board	Link To PDP Notification That Includes The Independence Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
Mustafa Rahmi Koç	Non-Executive	Dependent Member	16/03/ 1967			-	
Mehmet Ömer Koç	Non-Executive	Dependent Member	12/04/ 2005			-	
Semahat Sevim Arsel	Non-Executive	Dependent Member	05/04/ 2006			-	
Yıldırım Ali Koç	Non-Executive	Dependent Member	25/03/ 2009			-	
Levent Çakıroğlu	Non-Executive	Dependent Member	25/03/ 2009			-	
Robert Sonman	Non-Executive	Dependent Member	15/04/ 1994			-	
Fatih Kemal Ebiçlioğlu	Non-Executive	Dependent Member	23/03/ 2015			-	
Hakan Bulgurlu	Executive	Dependent Member	25/03/ 2016			-	
Ayşe Canan Ediboğlu	Non-Executive	Independent Member	04/04/ 2024	https://www.kap.org.tr/en/Bildirim/1257187	Considered	-	Yes
Galya Fani Molinas	Non-Executive	Independent Member	04/04/ 2024	https://www.kap.org.tr/en/Bildirim/1257187	Considered	-	
Ahmet Turul	Non-Executive	Independent Member	19/03/ 2019	https://www.kap.org.tr/en/Bildirim/1257187	Considered	-	Yes
Tuğrul Fadilloğlu	Non-Executive	Independent Member	25/03/ 2020	https://www.kap.org.tr/en/Bildirim/1257187	Considered	-	

CORPORATE GOVERNANCE INFORMATION FORM

BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period.	11
Director average attendance rate at board meetings	93%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	In 7 days
The name of the section on the corporate website that demonstrates information about the board charter	Company / Reports & Presentations / 2024 Annual Reports
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no determination in this direction.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Explanations on Corporate Governance / Number, Structure and Independence of the Committees Established by the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/1022772

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Ahmet Turul	Yes	Board member
Audit Committee		Ayşe Canan Ediboğlu	No	Board member
Corporate Governance Committee		Ahmet Turul	Yes	Board member
Corporate Governance Committee		Levent Çakıroğlu	No	Board member
Corporate Governance Committee		Barış Alparslan	No	Not board member
Committee of Early Detection of Risk		Galya Fani Molinas	Yes	Board member
Committee of Early Detection of Risk		Fatih Kemal Ebiçlioğlu	No	Board member
Other	Executive Committee	Mustafa Rahmi Koç	Yes	Board member
Other	Executive Committee	Mehmet Ömer Koç	No	Board member
Other	Executive Committee	Semahat Sevim Arsel	No	Board member
Other	Executive Committee	Yıldırım Ali Koç	No	Board member
Other	Executive Committee	Caroline Nicole Koç	No	Not board member
Other	Executive Committee	Aykut Ümit Taftalı	No	Not board member

BOARD OF DIRECTORS-III**4.5. Board Committees-II**

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Explanations on Corporate Governance/ Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Explanations on Corporate Governance/ Board of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The activities of the Nomination Committee are carried out by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Explanations on Corporate Governance/ Board of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The activities of the Remuneration Committee are carried out by the Corporate Governance Committee.

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Report of the Board of Directors and the Chairman's Message & Message from the General Manager
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Company / Investor Relations / Policies / Wage Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Explanations on Corporate Governance/ Financial Rights

Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee		100%	100%	4	4
Corporate Governance Committee		67%	33%	6	6
Committee of Early Detection of Risk		100%	50%	6	6
Other	Executive Committee	100%	0%	12	12

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

COMPANY COMPLIANCE STATUS					RELATED REPORT/LINK	
	YES	PARTIAL	NO	NOT APPLICABLE		
EXPLANATION						
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1	The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X			Arçelik A.Ş. (Arçelik), in line with its sustainability vision, identifies and publicly discloses environmental, social, and governance (ESG) risks and scenarios at the board level. The members of the Board of Directors follow up on the implementation and execution of strategic decisions and action plans related to all ESG risks that could potentially affect Arçelik's overall strategy, particularly its climate crisis strategy, and could create risk factors.	Arçelik 2024 Annual Report, Sustainability Section, Risk Management and Internal Audit Section Arçelik 2023 Sustainability Report, Page 22 "Sustainability Risk Management," Pages 192-205 "Sustainability-Related Risks and Opportunities" Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/our-approach/sustainability-governance/ © https://www.arcelikglobal.com/en/company/policies/ © https://www.arcelikglobal.com/media/vyibvsw/arcelik_sustainabilityreport_2023.pdf
	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X			Arçelik's sustainability-related policies, implemented within the scope of its sustainability vision, can be accessed on the Company's website.	Arçelik 2024 Annual Report, Sustainability Section Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/our-approach/sustainability-management/ © https://www.arcelikglobal.com/en/company/policies/
A1.2	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X			Arçelik has set short-term sustainability goals with its 2030 Sustainability Targets and long-term sustainability goals with its 2050 Net Zero emissions target, and it shares its progress with the public in its annual sustainability reports. Arçelik's Scope 1, Scope 2, and Scope 3 emissions targets, determined according to the 1.5°C scenario, were approved by the Science-Based Targets initiative (SBTi) in 2024.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Targets," Pages 38-45 "Climate Action" Arçelik Corporate Website © https://www.arcelikglobal.com/media/vyibvsw/arcelik_sustainabilityreport_2023.pdf © https://www.arcelikglobal.com/en/sustainability/in-touch-with-our-planet/climate-action/ © https://www.arcelikglobal.com/en/sustainability/our-approach/sustainability-governance/

COMPANY COMPLIANCE STATUS					RELATED REPORT/LINK	
YES	PARTIAL	NO	NOT APPLICABLE	EXPLANATION		
A2. Implementation/Monitoring						
A2.1	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X			At Arçelik, the management of sustainability strategy, monitoring, and the management of risks and opportunities is overseen by the highest authority, the Board of Directors, to ensure that the relevant teams possess the necessary competencies. The Chairman of the Durable Consumer Goods Group at Koç Holding, one of the Board members, is responsible for reporting sustainability-related issues to the Board. Sustainability activities are reported to the Board of Directors three times a year. Developments related to sustainability are regularly addressed in more detail in committees at the Board level. The Sustainability Committee is the highest-level unit responsible for all sustainability-related activities at the senior management level and meets quarterly. All Deputy General Managers serve as natural members of the Sustainability Committee. Depending on the topics to be discussed in the meetings, other Senior Directors are also included in the Committee. The governance structure for tracking, managing, and integrating ESG (Environmental, Social, and Governance) matters into business processes, along with detailed information, is shared with the public via the Annual Report, Sustainability Report, and the corporate website.	Arçelik 2024 Annual Report, Sustainability Section Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/our-approach/sustainability-management/ Arçelik 2023 Sustainability Report, Pages 21-22 "Sustainability Governance"
	The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X			Koç Holding Consumer Durables Group President, a Board Member at Arçelik, is responsible for reporting sustainability-related matters to the Board of Directors. Sustainability-related studies are reported to the Board of Directors three times annually.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 21-22 "Sustainability Governance" Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/strategic-approach-to-sustainability/corporate-governance/

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

COMPANY COMPLIANCE STATUS						
		NOT			EXPLANATION	RELATED REPORT/LINK
YES	PARTIAL	NO	APPLICABLE			
A2.2	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X			Arçelik aims to achieve Net Zero emissions across its entire value chain by 2050, and regularly shares its implementation and action plans with the public through its website and reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Targets," Pages 37-70 "In Touch with Planet" Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/in-touch-with-our-planet/overview/
A2.3	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X			Arçelik monitors ESG key performance indicators, updates its metrics within the framework of global indices and standards, and reports its progress. These data are shared with the public in the company's sustainability reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 36-38 "Sustainability Targets," Pages 165-168 "Annex 3: Environmental Performance Indicators"
A2.4	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X			Arçelik publishes Annual and Sustainability Reports every year, disclosing its sustainability practices and performance to the public.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Targets"
A3. Reporting						
A3.1	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X			Arçelik shares clear, accurate, and sufficient information about its sustainability performance, goals, and actions in its Annual Reports. Every year, many global sustainability indices evaluate Arçelik's performance based on the information in its Activity and Sustainability Reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Goals", Pages 90-157 "In Touch with Business", Pages 165-167 "Annex-3: Environmental Performance Indicators" Arçelik Corporate Website © https://www.arcelikglobal.com/en/company/reports-presentations/

COMPANY COMPLIANCE STATUS					
		NOT		EXPLANATION	RELATED REPORT/LINK
YES	PARTIAL	NO	APPLICABLE		
A3.2	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X		Arçelik supports the United Nations 2030 Sustainable Development Goals with its sustainability vision and objectives. Its key goals and initiatives, as well as its contribution to global objectives, are shared with the public annually in the Annual and Sustainability Reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Page 33 "Contribution to the UN Sustainable Development Goals", Pages 208-210 "Annex-16: SDG Index" Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/our-approach/sustainability-approach/
A3.3	The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X			Arçelik 2024 Annual Report, Other Explanations
A4. Verification					
A4.1	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X		The CSR data disclosed globally by Arçelik as part of its reporting is regularly verified by an independent third-party organization every year and shared with the public in the Arçelik Sustainability Report. In the Arçelik Annual Reports, the verified data for the last three years, starting from the previous year, is shared with the public.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 162-164 "Annex-2: Assurance Reports"
B. ENVIRONMENTAL PRINCIPLES					
B1	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X		Arçelik organizes its business processes in accordance with international product and management standards, primarily including the ISO 9001 Quality Management System, the ISO 14001 Environmental Management System, and the ISO 50001 Energy Management System, all of which are integrated.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet"

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPANY COMPLIANCE STATUS			EXPLANATION	RELATED REPORT/LINK
		YES	PARTIAL	NOT APPLICABLE		
B2	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X			Arçelik explains the scope, reporting period, date, and conditions of the environmental management-related information it shares with the public.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 159-161 "Annex-1: Scope of the Report"
B4	The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	X			In order to effectively implement Arçelik's sustainability strategy, specific Key Performance Indicators related to CSR are included in the target cards of senior executives, including the CEO and Vice Presidents, and the targets are shared in detail with the public in corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Page 23 "Sustainability-linked Executive Compensation"
B5	How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X			Arçelik's sustainability goals and strategy, aligned with priority areas, are determined based on a prioritization analysis developed with the broad participation of stakeholders and are regularly shared with the public.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 28-32 "Materiality Analysis" Arçelik 2023 Materiality Report
B7	The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X			Arçelik sets goals to achieve sustainability transformation across its entire value chain and shares its activities annually in the annual and sustainability reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 90-157 "In Touch with Business" Arçelik 2023 Sustainability Report, Page 25 "Business Model and Value Chain", Page 27 "Stakeholder Engagement Mapping"

COMPANY COMPLIANCE STATUS							
		YES	PARTIAL	NO	NOT APPLICABLE	EXPLANATION	RELATED REPORT/LINK
B8	Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X					Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 183-185 "Annex-10: Selected Memberships and Contributions"
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				As part of sustainability efforts, Scope 1, Scope 2, and Scope 3 greenhouse gas emissions are regularly calculated, verified by an independent third-party organization in accordance with ISO 14064-1, and shared with the public in comparison with previous years.	Arçelik 2024 Annual Report, Sustainability Section, Sustainability Principles Compliance Statement Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators" Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/intouch/areas/commitments-on-biodiversity-no-deforestation/
B10	Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				The calculation methodologies are shared with the public in the company's sustainability reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 15-36 "Strategic Approach to Sustainability", Pages 37-70 "In Touch with Planet", Pages 213-217 "Annex-19: SCM Index"
B11	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Environmental performances are shared with the public in the company's sustainability reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Goals", Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators"

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPANY COMPLIANCE STATUS			EXPLANATION	RELATED REPORT/LINK
		YES	PARTIAL	NO		
				NOT APPLICABLE		
B12	The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X			Arçelik has set sustainability goals for 2030 and 2050 to reduce its environmental impact, and shares its progress toward these goals in the Sustainability and Annual reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Goals", Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators"
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X			Arçelik has developed its Climate Crisis Mitigation Strategy and shared it with the public on its website.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 38-45 "Climate Action" Arçelik Corporate Website, Climate Change Mitigation Strategy © https://www.arcelikglobal.com/en/sustainability/in-touch-with-our-planet/climate-action/
B14	The programs/ procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X			As part of Arçelik's Sustainability Strategic Priorities, the company works to protect natural resources through innovative products and improvements in operations, and develops programs to reduce its environmental footprint. These efforts are shared with the public annually in the Annual and Sustainability reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "Technology for the Planet" Arçelik Global Environmental Policy © https://www.arcelikglobal.com/media/5718/13_07environmental_policy.pdf
	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X			Arçelik views sustainability as a business model across its entire value chain and collaborates with all its stakeholders for sustainable transformation. All of these efforts are shared in detail each year in the Arçelik Annual Report and Sustainability Report.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet", Pages 90-157 "In Touch with Business"

COMPANY COMPLIANCE STATUS					EXPLANATION	RELATED REPORT/LINK
YES	PARTIAL	NO	NOT APPLICABLE			
B15		X			Arçelik regularly shares the efficiency and savings achieved through its sustainability efforts with the public in the company's sustainability reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet"
B16		X			As part of sustainability efforts, Scope 1 and Scope 2 greenhouse gas emissions are regularly calculated, verified by an independent third-party organization, and shared with the public. Similarly, energy consumption data is reported with a breakdown of "renewable/non-renewable" in line with the expectations of international sustainability indices. These data are shared with the public in the company's sustainability reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 165-167 "Annex-3: Environmental Performance Indicators"
B17		X			The electricity production data for the relevant year is disclosed to the public in a comparable manner once the verification process is completed, as part of the Sustainability Report. Produced heat, steam, and cooling energies are considered secondary energy types, and the consumption amounts of the primary energy sources used to obtain these energies will be shared in the 2024 Integrated Report, verified. In the coming periods, Arçelik is improving its existing energy monitoring systems to track and report these secondary energy types.	Arçelik 2024 Annual Report, Sustainability Section and Sustainability Compliance Statement Arçelik 2023 Sustainability Report, Pages 165-167 "Annex-3: Environmental Performance Indicators"
B18		X			Arçelik shares its renewable energy goals, investments, and completed projects with the public annually in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Goals", Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators"

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

COMPANY COMPLIANCE STATUS			EXPLANATION	RELATED REPORT/LINK
YES	PARTIAL	NOT APPLICABLE		
B19	The renewable energy production and usage data has been publicly disclosed.	X	Arçelik shares its investments, goals, and usage-based data in the renewable energy sector with the public annually in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 34-36 "Sustainability Goals", Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators"
B20	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X	Arçelik shares the consumption and emission reduction amounts achieved through its energy efficiency projects with the public in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators"
B21	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X	Arçelik shares its water management efforts, goals, and annual performance-based data with the public in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators"
B22	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X	As the legal regulatory processes for the carbon pricing system in our country have not yet been completed, the company is not part of any carbon pricing system. The potential impacts of the transition to a low-carbon economy on Arçelik's operations are being evaluated in terms of policy, market, reputation, and technology risks.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet"
B23	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.	X	There were no accumulated or purchased carbon credits during the reporting period.	Arçelik 2024 Annual Report, Sustainability Section and Sustainability Risks and Opportunities Table Arçelik 2023 Sustainability Report, Page 44 "Climate Action"

		COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	PARTIAL	NO	NOT APPLICABLE		
B24	If carbon pricing is applied within the Company, the details have been disclosed.	X				The potential impacts of the transition to a low-carbon economy on Arçelik's operations are being assessed in terms of policy, market, reputation, and technology risks.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with the Planet"
B25	The platforms where the Company discloses its environmental information have been disclosed.	X				Arçelik regularly shares its environmental data in all corporate reports and on its corporate website with the public.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 37-70 "In Touch with Planet", Pages 165-167 "Annex-3: Environmental Performance Indicators" Arçelik Corporate Website © https://www.arcelikglobal.com/

C. SOCIAL PRINCIPLES

C1. Human Rights and Employee Rights

C1.1	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				Arçelik determines its approach and attitude towards human and labor rights by taking into account the requirements of global initiatives such as the United Nations Global Compact (UNGC) and the International Labour Organization (ILO), in which it voluntarily participates. It develops policies based on these principles and transparently shares all the activities it implements in accordance with these principles with the public in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 15-36 "Strategic Approach to Sustainability", Pages 90-157 "In Touch with Business" Arçelik Human Rights Policy © https://www.arcelikglobal.com/media/6236/15_global-human-rights-policy-en-1.pdf Arçelik Human Rights Due Diligence Procedure © https://www.arcelikglobal.com/media/6508/human_rights_due_diligence.pdf
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SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPANY COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	PARTIAL	NO	NOT APPLICABLE		
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				In order to determine Arçelik's approach to Human Rights and create a guide that reflects its standards, the Arçelik Human Rights Policy has been established and shared publicly. All employees and managers of Arçelik and its Group Companies are obligated to act in accordance with the Arçelik Human Rights Policy. Arçelik expects all business partners, relevant parties, and/or those to whom it applies, to act in accordance with this Policy and takes the necessary steps to ensure compliance.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 90-157 "In Touch with Business" Arçelik Human Rights Policy © https://www.arcelikglobal.com/media/6236/15_global-human-rights-policy-en-1.pdf Arçelik Human Rights Due Diligence Procedure © https://www.arcelikglobal.com/media/6508/human_rights_due_diligence.pdf Arçelik Responsible Purchasing Policy © https://www.arcelikglobal.com/media/5553/responsible-purchasing-policy_en.pdf
C1.3	The measures taken for the minority rights/ equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				Arçelik, within the framework of its Global Business Ethics Principles, ensures human rights are respected by all employees of Arçelik and its Group Companies, as well as by business partners in its value chain, in accordance with the relevant policies.	Arçelik 2024 Annual Report, Sustainability Section, Business Ethics and Transparency Arçelik Human Rights Policy, Diversity and Equal Employment Opportunities, Prevention of Discrimination © https://www.arcelikglobal.com/media/6236/15_global-human-rights-policy-en-1.pdf Arçelik 2023 Sustainability Report, Pages 73-79 "Supporting Society with Equal Opportunities and Inclusivity", Pages 90-157 "In Touch with Business"

COMPANY COMPLIANCE STATUS						
		NOT			EXPLANATION	RELATED REPORT/LINK
YES	PARTIAL	NO	APPLICABLE			
C1.4	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.		X		Arçelik, within the framework of its Global Business Ethics Principles, ensures human rights are respected by all employees of Arçelik and its Group Companies, as well as by business partners in its value chain, in accordance with the relevant policies.	Arçelik 2024 Annual Report, Sustainability Section, Business Ethics and Transparency, Sustainable Supply Chain Management Arçelik Human Rights Policy, Prevention of Discrimination, Zero Tolerance for Child Labor and Forced Labor, Freedom of Trade Union Organization and Collective Bargaining, Health and Safety, Zero Tolerance for Harassment and Violence, Working Hours and Wages, Personal Development © https://www.arcelikglobal.com/media/6236/15_global-human-rights-policy-en-1.pdf Arçelik Equality at Work Declaration © https://www.arcelikglobal.com/media/5711/tem20declaration_on_equality_at_work.pdf Arçelik Anti-Discrimination and Anti-Harassment Policy © https://www.arcelikglobal.com/media/6317/16_global-anti-discrimination-and-anti-harassment.pdf Arçelik 2023 Sustainability Report, Pages 90-157 "In Touch with Business"

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPANY COMPLIANCE STATUS			EXPLANATION	RELATED REPORT/LINK
YES	PARTIAL	NO	NOT APPLICABLE			
C1.5	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X			Arçelik, within the framework of its Global Business Ethics Principles, ensures human rights are respected by all employees of Arçelik and its Group Companies, as well as by business partners in its value chain, in accordance with the relevant policies.	Arçelik 2024 Annual Report, Sustainability Section, Human Resources Practices, Talent Management Arçelik Human Rights Policy, Freedom of Trade Union Organization and Collective Bargaining, Health and Safety, Working Hours and Wages, Personal Development © https://www.arcelikglobal.com/media/6236/15_global-human-rights-policy-en-1.pdf Arçelik 2023 Sustainability Report, Pages 90-157 "In Touch with Business"
	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X			Arçelik, to permanently prevent any form of discrimination and physical, mental, or emotional mistreatment that may occur among employees, establishes binding rules through its Global Business Ethics Principles, relevant policies, Arçelik Personnel Regulation, and all other applicable policies, ensuring their enforcement. Reports regarding actions that are not in compliance with Arçelik's Global Business Ethics Principles and relevant policies are received through the Ethics Line on the website www.ethicsline.net or, additionally, through the Ethics Hotline for specific countries.	Arçelik 2024 Annual Report, Sustainability Section, Business Ethics and Transparency Arçelik Whistleblowing Policy © https://www.arcelikglobal.com/media/5515/3_global-whistleblowing-policy_.pdf Arçelik 2023 Sustainability Report, Pages 90-157 "In Touch with Business"
	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X			In order to measure employee engagement and happiness in the workplace, Arçelik conducts relevant research annually with independent research companies. The activities carried out based on the feedback received are shared with the public in corporate reports.	Arçelik 2024 Annual Report, Sustainability Section, Human Rights, Human Resources Practices, Employee Engagement Arçelik 2023 Sustainability Report, Pages 90-157 "In Touch with Business"

		COMPANY COMPLIANCE STATUS			EXPLANATION	RELATED REPORT/LINK
		YES	PARTIAL	NOT APPLICABLE		
C1.6	The occupational health and safety policies have been established and disclosed.	X			Arçelik has established its occupational health and safety policy and shared it through public corporate communication channels. The activities carried out in this area are published annually in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section, Occupational Health and Safety Arçelik Occupational Health and Safety Policy © https://www.arcelikglobal.com/media/6967/global-occupational-health-and-safety-policy.pdf
	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Arçelik 2024 Annual Report, Sustainability Section, Occupational Health and Safety Arçelik 2023 Sustainability Report, Pages 124-126 "Employee Health and Safety"
C1.7	The personal data protection and data security policies have been established and disclosed.	X			Arçelik has established its policy for the protection of personal data and data security and shared it through public corporate communication channels. The activities carried out in this area are published annually in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section, Personal Data Protection Arçelik 2023 Sustainability Report, Pages 94-100 "Business Ethics and Transparency" Arçelik Information Security Policy © https://www.arcelikglobal.com/media/6233/information_security_policy.pdf Arçelik KVKK Policy © https://www.arcelikglobal.com/media/5078/9_global-data-privacy-policy.pdf Arçelik Code of Ethics © https://www.arcelikglobal.com/media/5510/1_global-code-of-conduct_.pdf
C1.8	The ethics policy have been established and disclosed.	X			Arçelik has established its Global Business Ethics Principles policy and shared it through public corporate communication channels. The activities carried out in this area are published annually in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 94-100 "Business Ethics and Transparency" Arçelik Code of Ethics © https://www.arcelikglobal.com/en/company/about-us/global-code-of-conduct/

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPANY COMPLIANCE STATUS			EXPLANATION	RELATED REPORT/LINK
		YES	PARTIAL	NOT APPLICABLE		
C1.9	The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				Arçelik 2024 Annual Report, "Key Social Investment Activities"
C1.10	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 90-157 "In Touch with Business"
C2. Stakeholders, International Standards and Initiatives						
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X			Arçelik has established its customer satisfaction policy and shared it through public corporate communication channels. The activities carried out in this area are published annually in its corporate reports.	Arçelik 2024 Annual Report, Customer Services Section Arçelik 2023 Sustainability Report, Pages 141-144 "Customer and Consumer Experience" Arçelik Customer Satisfaction Policy © https://www.arcelikglobal.com/media/5253/customersatisfactorypolicy.pdf
C2.2	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 26-28 "Stakeholder Mapping", Pages 87-88 "Community Development and Partnerships"
C2.3	The international reporting standards that adopted in reporting have been explained.	X				Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Page 5 "About the Report"
C2.4	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X			The principles adopted regarding sustainability, as well as the international organizations, committees, and principles that Arçelik is a signatory to or a member of, are shared through Arçelik's corporate communication channels. The responsibilities undertaken by Arçelik in these formations and the activities it carries out are disclosed to the public annually in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Page 5 "About the Report" Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/engagements/engagements/

COMPANY COMPLIANCE STATUS					
		NOT		EXPLANATION	RELATED REPORT/LINK
YES	PARTIAL	NO	APPLICABLE		
C2.5	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X		Arçelik works to be included in leading international sustainability indices, including Borsa Istanbul, and to manage its performance in these indices; it shares with the public which indices it is included in and its progress in these indices.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Page 11 "Awards and Recognitions", Pages 12-13 "Global Partnerships and Commitments" Arçelik Corporate Website © https://www.arcelikglobal.com/en/sustainability/awards-achievements/
D. CORPORATE GOVERNANCE PRINCIPLES					
D.1	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X		Arçelik places great importance on identifying, prioritizing, assessing, and reporting the factors that have the most significant impact on its stakeholders. In accordance with the changing global sustainability agenda, the prioritization analysis is updated every year. The inputs obtained from participatory survey work conducted with different key stakeholder groups are combined with the views of the company's senior management to create Arçelik's prioritization matrix. The distribution of the prioritization analysis results by stakeholder groups and geographical regions is shared with the public.	Arçelik 2024 Annual Report, Sustainability Section, Sustainability Principles Compliance Statement Arçelik 2023 Sustainability Report, Pages 28-32 "Materiality Analysis" Arçelik 2023 Materiality Report
D.2	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X		In light of its Corporate Citizenship Policy, Arçelik implements various social projects that are sensitive to human needs, both in the regions where it operates and in other areas, to support sustainable living. It shares all of its activities and their outcomes annually in its corporate reports.	Arçelik 2024 Annual Report, Sustainability Section Arçelik 2023 Sustainability Report, Pages 71-89 "In Touch with Human Needs" Arçelik Corporate Citizenship Policy © https://www.arcelikglobal.com/media/5758/22-07corporate-citizenship-policy_son.pdf

Identity

Reported Fiscal Year	01.01.2024 - 31.12.2024
Trade Name	Arçelik A.Ş.
Trade Registry and Number	İstanbul Trade Registry: 54957
Company Headquarters	Karaağaç Caddesi No: 2-6 Söğütözü 34445 Beyoğlu - İstanbul
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Stock Information

BIST Code	ARCLK
Reuters Code	ARCLK.IS
Bloomberg Code	ARCLK.TI
Date of Initial Public Offering	21.01.1986

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Disclaimer

The Board of Directors' Report, Auditors' Report, Consolidated Financial Statements and Independent Audit Report regarding the operations and financials of the year 2024, included in this Annual Report ("Report"), are prepared in accordance with the legal requirements for the Ordinary General Assembly, which will be held on Wednesday, 28 March 2025 at 09.30am, at Divan İstanbul Hotel, Asker Ocağı Caddesi No: 1 34367 Elmadağ Şişli, İstanbul.

This Report is prepared only to provide information to the shareholders, and it is not intended to form the basis of any investment decision. The opinions and statements regarding estimated figures contained within this Report solely reflect the company

management's views with respect to certain future events; thus, the actual results and developments may differ from these estimates depending on the variables and assumptions. Accordingly, neither Arçelik nor its respective advisors, directors or employees shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in, or omission from, this Report, or on any other information or communications in connection with the Report. All information contained in this Report was believed to be accurate at the time of publication. Arçelik accepts no responsibility for any spelling or printing errors that may occur during the Report's preparation.



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