

Materiality Report 2023



Arçelik

2023 MATERIALITY REPORT


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INTRODUCTION

THE EVOLVING CONCEPT OF MATERIALITY

As today's world faces environmental problems such as climate change, natural degradation, resource scarcity, and pollution on top of societal problems including but not limited to diversity, inequality, polarization, modern slavery and involuntary segregation, the responsibility to act sustainably has become inevitable. The role of businesses is especially significant within this context since they create direct and indirect environmental and social impacts throughout their value chain.

This has created the concept of "stakeholder capitalism" in the business world, where companies address the needs of and responsibilities for all of their stakeholder groups rather than just shareholders, as was previously the case. Adopting the holistic value creation approach that comes with stakeholder capitalism not only serves the well-being of the world by enabling companies to fulfill their corporate citizenship responsibilities towards society and the environment, but also helps companies to create economic value, since corporate reputation is increasingly becoming a determinant of brand value, investor decisions, and customer preferences. It also helps companies to become well prepared for

future risks that might arise with the impact of environmental and social factors such as climate change and disruption of social cohesion.

Thus, establishing a sound sustainability strategy that is backed by concrete roadmaps and effective action has gone beyond a "nice to have" and turned into a "must" for companies that seek to create long-term and sustainable value and market presence. In order to establish this sound sustainability strategy, identifying and prioritizing significant sustainability topics by taking into account the relationships with stakeholders, and the scale and scope of business operations and potential impact is key. This process of identifying and prioritizing sustainability issues is widely defined as the materiality analysis.

As sustainability emerged as an important business strategy, so did the materiality concept. Even though globally renowned sustainability standards such as the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), Task Force on Climate-related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB) all have their own definitions of materiality, they commonly focus on identifying the issues that have a significant impact on organizations' disclosures, and which are capable of affecting the decisions of stakeholders.



INTRODUCTION

Enhanced reporting regulations also increase the significance of the materiality concept while demanding more holistic analyses from companies.

Among them, the European Union’s Corporate Sustainability Reporting Standards (CSRD) and International Financial Reporting Standards’ (IFRS) International Sustainability Standards Board (ISSB) specifically stand out.

CSRD is mandatory for over 50,000 companies operating in the EU (companies that either have their headquarters there or have significant operations in the region) to report on their sustainability strategies, impacts, risks and opportunities, targets, and roadmaps within a certain framework. Companies will have to comply with standards in different years ranging from 2025-2029 based on their status. Although ISSB, which also requires similar reporting points as well as a strong focus on linking sustainability information and risks and opportunities to the financial position of the company, is not a

mandatory standard itself, several nations are making bilateral agreements with IFRS to adopt the standards into their national legislation system. Türkiye, being one of them, officially adopted Türkiye Sustainability Reporting Standards (TSRS) at the end of 2023, obliging certain companies to report in line with the standards from 2025.

Both of these standards put the materiality analysis at the heart of sustainability strategy-making, target setting and reporting processes, and require a more multi-angled and complex approach due to the increasing sophistication of sustainability work and the development of the concepts of double materiality and dynamic materiality. According to the European Sustainability Reporting Standards (ESRS) published under the CSRD, “the undertaking shall report on sustainability matters based on the double materiality principle”¹. ESRS characterizes double materiality as a concept that has two inter-related dimensions, impact materiality and financial materiality, and considers the interdependencies between these two dimensions. While a topic is material from an impact perspective if it pertains to actual or potential impacts on people or the

environment, it is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on the undertaking. While ISSB does not specifically mention the term “double materiality”, it requires companies to apply sustainability-related risk or opportunity standards and consider them in the context of the entity’s sustainability-related financial disclosures taken as a whole in order to identify material information².

The concept of dynamic materiality is highlighted by the World Economic Forum (WEF). WEF defines dynamic materiality as immaterial topics that might emerge as material later on and states that “in the coming decade, identifying the issues that are not material today that could become so tomorrow will be a capability investors cannot do without”³.

Overall, with an enhanced approach including double and dynamic materiality, and its reputational nature, a sound materiality analysis is the backbone of a respectable sustainable strategy.



¹ [European Sustainability Reporting Standards Annex I](#)

² [IFRS S2 Climate-related Disclosures](#)

³ [World Economic Forum White Paper: Embracing the New Age of Materiality](#)





INTRODUCTION

THE IMPORTANCE OF MATERIALITY FOR ARÇELİK

At Arçelik, we attach utmost importance to positioning ourselves within the ever-changing circumstances of our working environment and global trends in sustainability. In order to do this, we identify and prioritize the material topics that have significant impact potential on our business model throughout the entire value chain, considering our upstream and downstream processes.

The materiality analysis is the backbone of these efforts. While we used to conduct this analysis every two years, we have decided to increase the frequency to a yearly basis, considering the increasingly dynamic sustainability field. This allows us to closely follow any internal changes, such as operational and organizational shifts, and external changes, such as socio-economic factors, relevant policy and regulations and global events.

With an awareness on the significance of changing priorities in a fast-moving world, we started to evaluate materiality topics with the dynamic materiality approach.

With the dynamic materiality analysis, we monitor the changing priority levels of issues that are material for our internal and external stakeholders and in relation to our business processes on a year-on-year basis.

Since 2022, our materiality analysis also incorporated the double materiality approach in line with global best practices and the requirement of the European Union’s Corporate Sustainability Reporting Directive (CSRD). The double materiality approach allows us to understand the reciprocal relationship between Arçelik and the ecosystem that Arçelik operates in by evaluating each topic from both an inside-out and an outside-in perspective.



Materiality ANALYSIS PROCESS

Sustainability
at Heart:
*Where feels
Like Home
Begins*

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MATERIALITY ANALYSIS PROCESS

POOLING OF MATERIAL TOPICS

Main Approach

All current sustainability-related topics and trends are continuously being closely monitored by our in-house sustainability team. A pool of topics was gathered from the news, regulatory updates, local and international standards, academic studies, and other resources. The main benchmarks included but were not limited to UN SDGs, WEF Global Risks Report, The Value Reporting Foundation Framework, EU CSRD, IFRS ISSB, GRI, CDP, TCFD, and SASB.

Based on these assessments, several topics stand out within the current sustainability context:

- With the worsening of environmental disruption, collective efforts and actions to **reduce greenhouse gas emissions and measures to mitigate the effects of climate change** are becoming increasingly important. Efforts for the transition towards net zero emissions and the circular economy continue to be important trends that transform production and product design processes.
- **Emerging technologies and digitalization** enable the better use of concepts such as artificial intelligence (AI) and the Internet

of Things (IoT). This not only helps with the sustainability performance of companies' processes and products and services, but it also enables tracking of their sustainability-related indicators.

- **Regulatory trends** are significantly impacting the world as sustainability-related regulations are gaining momentum globally. Regulations such as European Sustainability Reporting Standards (ESRS), IFRS ISSB, and the Green Claims Directive move sustainability performance monitoring and reporting beyond "nice to have" to a "must".
- **Strong governance** remains an important sustainability trend since business transparency, effective Board management, and gender representation at the senior management level are among the most critical topics that various stakeholders, especially investors, are interested in.
- As societal inequalities continue to impact millions of people's lives and social and political instabilities deepen, establishing a sound **corporate citizenship identity** is of great importance. In order to create opportunities for sustainable growth while leaving no one behind, companies are expected to create an influence within society.

- Being a **responsible employer** is an important aspect of companies' sustainability profiles. Indicators such as occupational health and safety, employee satisfaction, talent, and career growth opportunities provided to employees are among elements that contribute to a company's sustainability identity.
- **Evolving consumer preferences** are listed among significant sustainability trends as they are driving businesses to seek energy-efficient and environmentally friendly appliances, driving innovation in the industry towards sustainable technologies.



MATERIALITY ANALYSIS PROCESS

Upon identifying the general trends, we reviewed topics according to their relevance to our business. While doing that, we adopted a sector-specific approach and consulted benchmarks, including the International Capital Market Association’s (ICMA) Sector Materiality Matrix study, which encompasses SASB, TCFD, MSCI and GRI guidance. According to this study, the topics that are material to the consumer goods sector are as follows:

	Most Material	Material
Environment	Climate change (GHG emissions and energy)	Water (incl. ocean)
	Raw material sourcing and recycling (circular economy)	Waste
Social		Biodiversity (incl. soil/land use)
		Diversity
Governance	Value chain	Working conditions (employee engagement, labor practices and labor rights)
	Consumers (incl. customer relations and welfare, responsible marketing and product labelling)	Product governance (safety & quality)

After this, we made a final refinement of the topics in line with own business, placing our business and value creation model at the heart of our materiality analysis. By analyzing impact, risks and opportunities throughout our entire value chain, we created a shortlist of material topics.

For the previous materiality assessment, which was conducted in 2021, we listed a total of 35 topics. For this year’s assessment, this list was reduced to 20 topics, with similar topics consolidated under new topic names and issues that have lost relevance to our industry and company eliminated.

In order to link the identified material issues with our corporate sustainability strategy, “In Touch Technology”, we have mapped each topic within the three pillars of this strategy. The “In Touch with Planet” pillar represents an effort to reduce our footprint and help conserve vital resources, while “In Touch with Human Needs” aims to improve people’s lives and support society in their needs, and “In Touch with Business” aims to make us a progressive global citizen and make sustainability a part of the way our employees do business. All materiality topics are placed under the relevant pillar.



MATERIALITY ANALYSIS PROCESS

Shortlisted Topics and Definitions

You can see the shortlist of Arçelik's material topics, their definitions and the sustainability strategy pillar they are linked to in the below table:

Related Strategy Pillar	Material Topic	Definition
In Touch with Our Planet	Climate Action	Conducting operations in harmony with Arçelik's environmental management plan, including its decarbonization and net zero roadmap, in order to tackle climate change (predominantly through the reduction of greenhouse gases); increasing and spreading renewable energy use by purchasing and generating through Arçelik-branded solar panels
	Water Management	Minimizing the water consumption during production, effective management of wastewater, and identifying water-related risks at locations where Arçelik and major suppliers operate
	Waste Management	Minimizing waste during production and operational processes; regaining and effective management of produced waste
	Chemicals Management	Protecting the environment and employees' and consumers' health and safety by safely managing chemicals used in products and production processes
	Biodiversity	Protecting habitats, species and ecosystems; combating deforestation, and supporting reforestation
	Material Recycling and Reduction	Reducing material consumption, increasing the use of recyclable, recycled, and biodegradable content within products and packages in line with life cycle assessment processes
	Energy and Water Efficient Products	Reducing the energy and water consumption of products during their use phase by the end user
	Durability, Reparability and Refurbishment	Extending products' lifespan and making them easily repairable through developed solutions; reprocessing products used for a certain period by the customer that have cosmetic defects, that were displayed in dealer stores or were damaged in logistic processes
	End-of-Life Responsibility of Products	Designing products under circularity principles, allowing content recycling and managing Waste from Electrical and Electronic Equipment (WEEE) process for the end-of-life stage of products
In Touch with Human Needs	Corporate Citizenship	Focusing on social issues on a local and global scale through community programs, philanthropy, volunteerism as well as with products and services, and responsible marketing; acting with appropriate corporate social responsibility approach to support resilient societies

Related Strategy Pillar	Material Topic	Definition
In Touch with Business	Business Ethics and Transparency	Managing relationships with all stakeholders within ethical principles, Arçelik's corporate values, and acting transparently
	Corporate Governance	Enhancing the effectiveness of the Board and its committees, risk management, integrating ESG risks into business and well-designed sustainability governance
	Sustainable Financing	Using alternative financing tools such as green and/or sustainable bonds, loans etc. in order to support Arçelik's sustainability strategy and opting for more profitable financing
	Future Fit Culture, Talent & Organizational Management	Ensuring the corporate culture and human rights practices are in line with trends of the future; promoting diversity, equity and inclusion (DEI); attracting and retaining talent; effective employee engagement and employee well-being practices
	Occupational Health and Safety	Ensuring the physical and mental health of employees and value chain workers is protected at work
	R&D, Innovation, Digital Transformation and Smart Solutions	Developing innovative service solutions and smart products by using tools such as Big Data analysis, machine learning, AI, IoT; establishing strategic partnerships focusing on innovation, developing and/or adopting digital solutions that provide operational efficiency
	Data Privacy and Cyber Security	Safeguarding customers', employees', and business partners' data; resilience against cyber-attacks and possible malfunctions
	Customer and Consumer Experience	Meeting and going beyond user expectations in terms of user experience including user-friendliness, product performance, quality
	Product Quality and Safety	Ensuring the products are non-harmful for user health and safety in line with international product safety standards and in good quality in terms of durability
	Sustainable Supply Chain Management	Promoting sustainability practices among suppliers; helping suppliers with their environmental, social and ethical performance improvements; proactively managing the ESG risks and opportunities for transformation throughout the supply chain

MATERIALITY ANALYSIS PROCESS

Survey Methodology

After we identified our shortlist of material topics, we collected our stakeholders’ feedback via an online survey.

The surveys were delivered to more than 20,000 people from 14 different stakeholder groups. Since the target groups for suppliers, dealers, authorized services, employees, and B2C customers were larger, these groups were the

major contributors to the analysis in terms of the number of responses, accounting for 97% of all responses received.

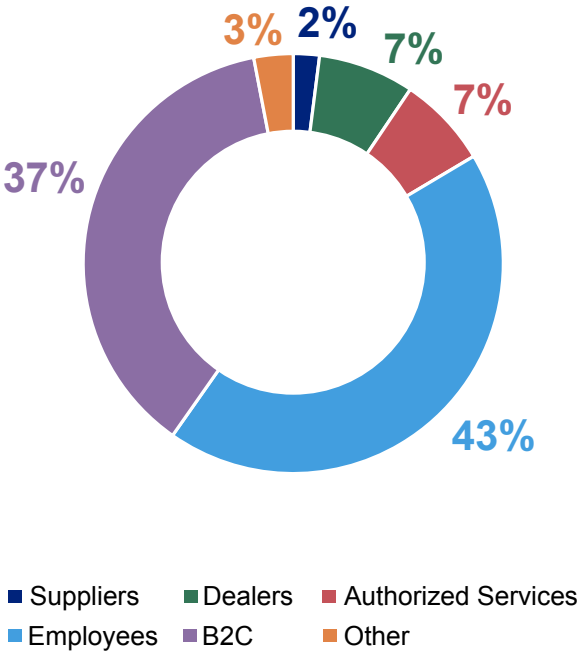
The main goal was to reach at least a 10% response rate for each stakeholder group in order to attain a statistical significance, which was successfully achieved. At the end of the survey period, a total of 5,710 responses were received.

All responses were received anonymously. The survey consisted of six questions, one of which was open-ended, four being multiple choice, and one being a ranking question. All questions, except one, were directly related to the respondents’ perception of Arçelik’s material issues and its performance regarding these issues. Only one of the questions aimed at

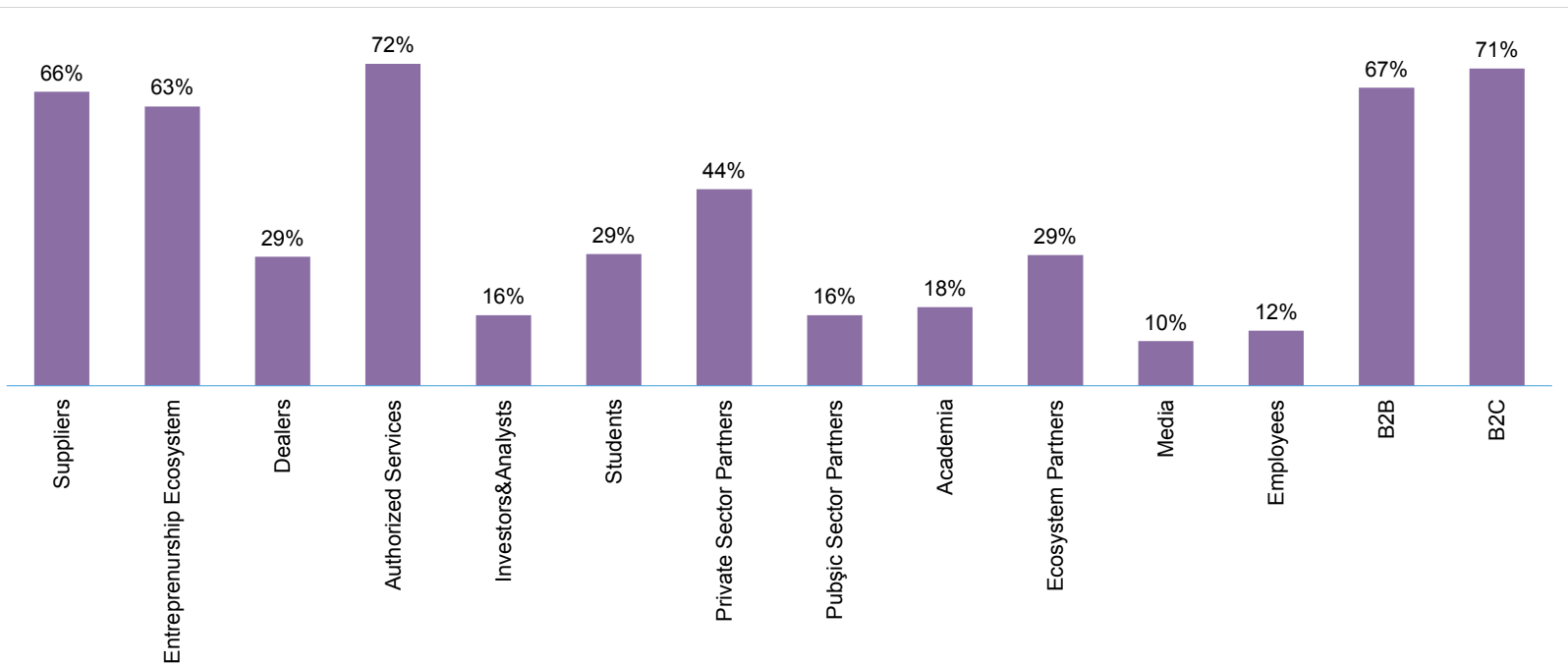
identifying the respondents’ location in order to be able to analyze the answers from a regional perspective.

 To see the regional perspective, please see the [Regional Discussion chapter](#).

Survey Responses Based on Stakeholder Groups



Response Rates of Each Stakeholder Group



MATERIALITY ANALYSIS PROCESS

Of these six questions, only one of them fed directly into the quantitative analysis, which was the following:

How important do you feel the following areas are for Arçelik's operations and relationships?

This question required rating all 20 materiality topics separately according to a five-point Likert scale with the following options:

Very important

Important

Somewhat important

Not very important

Not important at all

Topics were assigned a score between 1 and 5 according to each stakeholder rating (with 5 points assigned for “Very important” and 1 for “Not important at all”). The weighted average of all responses was calculated for each topic. Based on the final scores, the topics were categorized into three priority areas:

VERY HIGH PRIORITY	HIGH PRIORITY		MEDIUM PRIORITY
1. Product Quality and Safety	6. Future Fit Culture, Talent and Organizational Management	11. Business Ethics and Transparency	16. Chemicals Management
2. Climate Action	7. Sustainable Supply Chain Management	12. End of Life Responsibility of Products	17. Waste Management
3. Energy and Water Efficient Products	8. R&D, Innovation, Digital Transformation and Smart Solutions	13. Durability, Reparability and Refurbishment	18. Biodiversity
4. Sustainable Financing	9. Material Recycling and Reduction	14. Data Privacy and Cybersecurity	19. Customer and Consumer Experience
5. Corporate Governance	10. Occupational Health and Safety	15. Water Management	20. Corporate Citizenship



When we look at the most important topics for each stakeholder group, the results were as follows:

Stakeholder Group	Top 3 Topics
Supplier	
Dealer	
Authorized Service	
Employee	
B2C	

After collecting the internal and external stakeholder feedback, the material issues were subjected to a prioritization process. In order to do this, Arçelik's impact regarding these topics on the outside world has been analyzed, and the impact these topics have on Arçelik's business conduct and performance has been explored.

MATERIALITY ANALYSIS PROCESS

PRIORITIZATION OF MATERIAL ISSUES BASED ON DOUBLE MATERIALITY METHODOLOGY

Arcelik’s materiality assessment concluded with a double materiality analysis in line with CSRD requirements and in support of various international standards and guides.

The double materiality concept emerged from the need to better link the material issues with impacts, risks and opportunities within an organization’s value chain.

By looking at the material issues from a two-way perspective that assesses the outside world’s impact on the company and the company’s impact on the outside world, double materiality moves beyond the conventional understanding of sustainability as the company’s responsibility to sustainability as a business case.

According to CSRD, “a reporting undertaking shall consider both impact materiality and financial materiality when identifying the material matters, which is the basis for the determination of the material information to be disclosed”⁴.

Based on the suggested methodology of the European Financial Reporting Advisory Group (EFRAG) in the draft document “Double materiality conceptual guidelines for standard setting”, we evaluated each of our sustainability priority issues based both on their financial impact on Arcelik, which is referred to as outside-in materiality, and on Arcelik’s impact on society and the environment, which is referred to as inside-out materiality.

The double materiality evaluation was made by Arcelik’s C-level management since this target group is capable of analyzing the business case from the top level down and with a multidimensional approach. A two-step analysis was conducted with the participation of all C-level managers, the first step being an online survey and the second step being an online meeting and discussion.


While evaluating the issues, EFRAG’s suggested ranking system was adopted.

For **Impact (Inside-Out) Materiality**, the topics were ranked considering three perspectives:

Scale of Impact	Scope of Impact	Remediability of Impact
Absolute	Global/total	Non-remediable/irreversible
High	Widespread	Very difficult to remedy or long-term
Medium	Medium	Difficult to remedy or mid-term
Low	Concentrated	Remediable with effort (time & cost)
Minimal	Limited	Relatively easy to remedy or short-term
None	None	Very easy to remedy

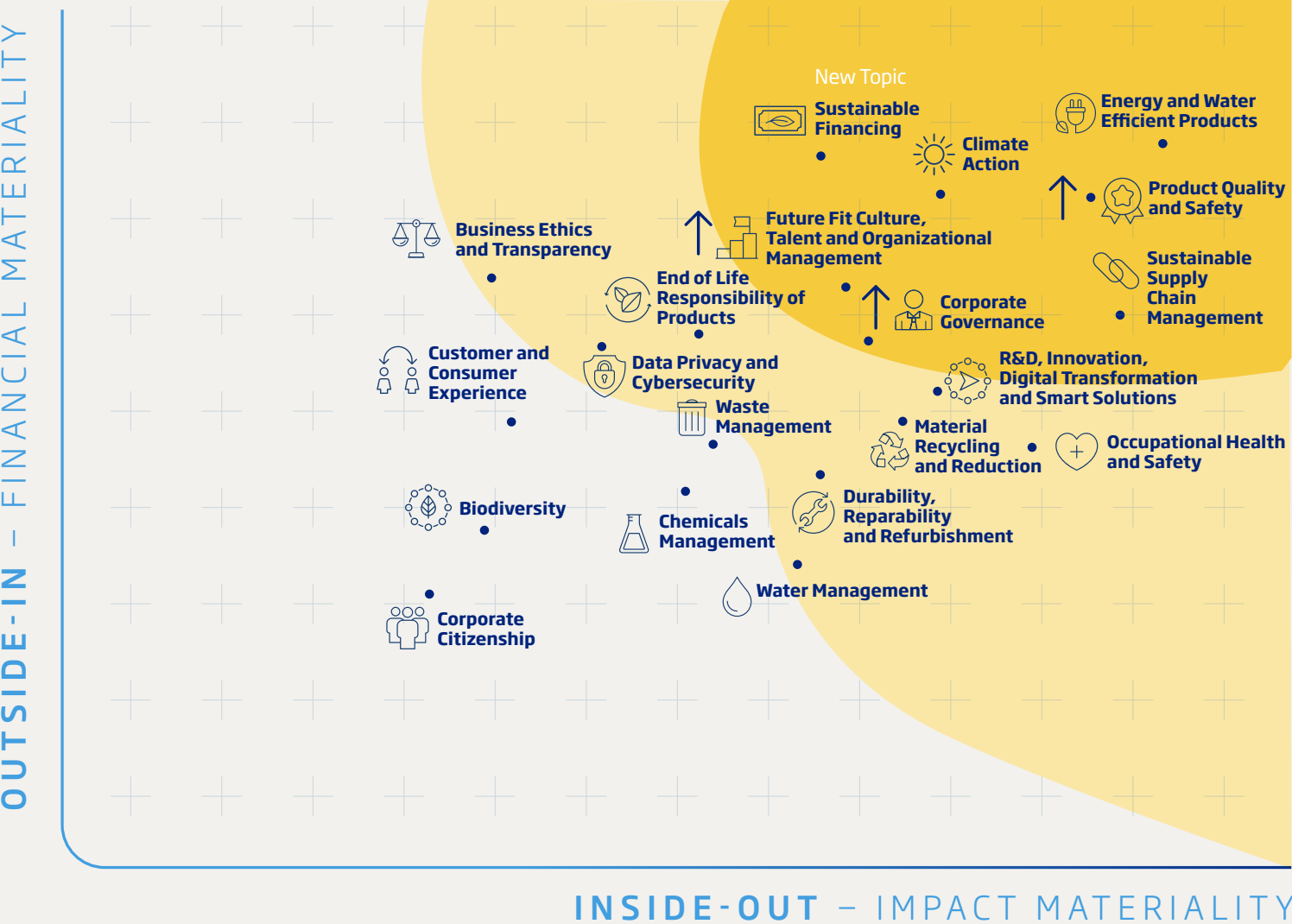
For **Financial (Outside-In) Materiality**, the topics were ranked considering two perspectives:

Continuation on use of Resources	Reliance on Relationships
Impossible, very costly or unavailable in the short term	Strong adverse reaction currently or very likely in future
Possible but costly in the short term, very costly or lacking in the medium term, impossible in the long term	Adverse reaction currently, strong adverse reaction likely in the future
Possible in the short term, costly in the medium term, very costly in the long term	Negative reaction currently, adverse reaction likely in the future
Possible in the short, medium and long term	Signs of negative reaction currently or in the future
Without consequence in the short, medium and long term	Neutral/no reaction currently and likely in the future

 ⁴EFRAG Implementation guidance for the materiality assessment

MATERIALITY ANALYSIS PROCESS

After survey and discussion evaluations, the topics were arranged into a matrix, with Inside-Out Materiality issues on the X-axis and Outside-In Materiality issues on the Y-axis.



The matrix also accounts for changes in the priority levels of topics, which reflects a **dynamic materiality** approach.

To learn more about the dynamic materiality approach, please see the [Dynamic Materiality section](#).

The outcomes of the materiality analysis, including the double materiality approach, have been **reviewed, approved, and signed off by the Board of Directors**. In addition, the materiality analysis also has **third-party assurance** in line with AA1000 Assurance Standard.

↑ Issues with increasing importance based on dynamic materiality approach



MATERIALITY ANALYSIS PROCESS




EVALUATING THE MATERIALITY ANALYSIS FROM THE BUSINESS PERSPECTIVE

The material issues that are identified and prioritized via the analysis are integrated into the overall risks, potential business impacts, targets, and metrics of Arçelik, in order to incorporate these issues at the core of the company’s sustainability strategy.




Thus, the final step of the double materiality analysis involves outlining material issues with the highest priority levels and identifying risks, opportunities, and business cases, and defining targets and metrics throughout our value chain to build a concrete evaluation and roadmap. This final step helps us evaluate the materiality topics based on Arçelik’s business considerations and ensure the integration of the results within the overall business processes.



Business Case

Since Energy and Water Efficient Products, Climate Action and Sustainable Supply Chain Management emerged as significant topics from the double materiality analysis, the business cases for these three topics have been evaluated:

OUTSTANDING MATERIAL ISSUES ACCORDING TO ARÇELIK’S DOUBLE MATERIALITY ANALYSIS			
	Energy and Water Efficient Products 	Climate Action 	Sustainable Supply Chain Management 
Risk / Opportunity	<p>“Energy and Water Efficient Products” is categorized as highly material both from the inside-out and outside-in impact evaluations.</p> <p><i>Please see the Double Materiality Matrix.</i></p>	<p>“Climate Action” is categorized as highly material both from the inside-out and outside-in impact evaluations.</p> <p><i>Please see the Double Materiality Matrix.</i></p>	<p>“Sustainable Supply Chain Management” is categorized as highly material both from the inside-out and outside-in impact evaluations.</p> <p><i>Please see the Double Materiality Matrix.</i></p>
Business Case	<p>With the deepening of climate crisis, various investors, strategic retails channels and regulations demand a decrease in environmental footprint from their business partners. Since the energy and water use of Arçelik’s products is an important part of our global footprint, putting eco-efficient products on the market is crucial.</p> <p>On top of this, increasing awareness and sensitivity regarding environmental issues led end-users to seek more eco-efficient products.</p> <p>Thus, not being able to meet the demand for eco-efficient products presents the risk of deteriorating relationships with key business partners and market loss for Arçelik.</p> <p>However, Arçelik has Science Based Targets to reduce energy consumption of appliances and water consumption targets that bears an opportunity for business relationships. Arçelik makes additional investments in its business processes to meet this demand.</p> <p>Producing eco-efficient products brings cost-ups for the end products. These cost-ups might not be reflected in all markets, and this might have a negative impact on Arçelik’s revenues.</p> <p>On the other hand, the sale of eco-efficient products also creates a market opportunity for Arçelik since there is room to grow, especially in the emerging markets for eco-efficient appliances.</p>	<p>Climate change and related impact brings various regulative requirements regionally and internationally such as Emission Trading System (ETS) and CBAM. These are likely to increase Arçelik’s operational costs which would result in Arçelik a competitive advantage.</p> <p>In addition, climate-related impacts are considered by investors and B2B partners when conducting trade relations and robust actions are expected from Arçelik.</p> <p>Thus, not being able to manage the climate impact effectively might result in Arçelik bearing additional costs brought by regulations and lead to a deteriorating relationship with business partners.</p> <p>However, Arçelik has a comprehensive climate change strategy and works on alternative climate change scenarios to assess its potential transition risks and takes precautions accordingly. In this framework, Arçelik monitors its GHG emissions and has publicly available targets.</p> <p>Effective management of climate-related impacts brings cost-up due to investments for producing energy efficient appliances, energy efficiency in production, renewable energy investments, green electricity procurement as well as waste reduction projects.</p> <p>On the other hand, these efforts provide business opportunities for Arçelik since it will minimize regulation-related costs for the future such as carbon tax and CBAM and increase its reputation from the viewpoint of business partners.</p>	<p>Arçelik has an extended supply chain and works with suppliers from a wide geography. It has purchasing offices in 10 different countries and makes purchases from more than 60 countries. In 2023, our global purchasing capacity has reached to nearly 2000 direct material suppliers, and our total purchasing volume, including indirect and investment purchases, has reached approximately EUR 4.5 billion.</p> <p>Thus, managing a sustainable supply chain presents an important business case for Arçelik. Suppliers’ environmental and social misconduct or non-compliance might lead to a reputation loss for Arçelik.</p> <p>However, Arçelik has an in-house supplier index through which ESG data and related evidence is collected via an online survey and supplier performance is verified by an independent accredited audit firm. Suppliers are also subject to third-party ethics audits onsite. According to the results, mitigation measures are offered to suppliers. The business contracts may also be terminated if necessary.</p> <p>In addition, effective management of supplier emissions is crucial for Arçelik’s net zero targets. For this purpose, Arçelik has an Environmental Data Collection and Monitoring Process. Arçelik also requires its suppliers to manage their energy-related and environmental impact through ISO 50001 and ISO 14001.</p>



	Energy and Water Efficient Products 	Climate Action 	Sustainable Supply Chain Management 
Business Impact	<p>Despite possible cost-up per product, eco-efficient products are expected to create a net positive impact on revenue since it will provide brand leverage for Arçelik, enhanced market reach and an increase in the prices of products. Arçelik will also be able to meet more customers’ and strategic partners’ demands.</p>	<p>Despite possible cost-ups due to the investments to comply with climate regulations and meet investors’ and other business partners’ demands, the expanding market reach of the brands and products and new business partnerships with the good reputation established thanks to climate-aware investment offers are expected to create a positive impact on revenue.</p>	<p>Despite cost-ups from supplier monitoring and auditing efforts, effective management of supply chain prevents potential reputation losses from possible environmental and/or social misconduct in the value chain and not being able to meet Scope 3 reduction targets due to poor supplier performance. Also, creating supplier awareness and improving their processes create synergies and enable Arçelik to develop proactive strategies against existing and upcoming regulations such as the German Supply Chain Act and EU CSRD.</p>
Business Strategies	<p>Arçelik’s approved and under-approval Science Based Targets include the reduction of Scope 3 GHG emissions from the use phase of sold products and water targets that aim to reduce the water withdrawal per product.</p> <p>In order to reach these targets, Arçelik aims to increase the market penetration of energy and water-efficient products, phase out of certain products with high Global Warming Potential (GWP) and implement new heating technologies with higher performance. In 2023 50% of our revenue came from the sales of energy-efficient products and we decreased the average energy consumption of our washing machines and refrigerators by 1% and 4% respectively compared to the previous year in Türkiye. We have eco-efficient products in Dryer, Dishwasher, Freezer & Refrigerator, AC, Oven, TV, Washer Dryer, Washing Machine, Electric Storage Water Heater, Hood product groups.</p>	<p>Arçelik’s climate action strategy is focused on manufacturing energy and water-efficient appliances, increasing energy and water efficiency in production, establishing renewable energy systems, and using green electricity and effective water management.</p> <p>In line with these, Arçelik aims to increase the locations with ISO 50001 Energy Management Certificates, carries out energy-saving projects at production sites, makes renewable energy investments, conducts sustainable water management projects, responsibly manages its WEEE. Arçelik also monitors and improves its climate impact throughout its value chain. Arçelik encourages suppliers to give commitments and set their own GHG emission targets, collects emission data from them. Arçelik also works on ways to decrease its emissions from logistic processes.</p> <p>At the corporate relations and strategy level, Arçelik has Climate Change Strategy, Global Environmental Policy, Energy Policy and Policy of Review on Industry Association Memberships.</p>	<p>Arçelik has a Global Responsible Purchasing Policy that requires suppliers to comply with both applicable legislation and Arçelik values. This policy is an obligation for suppliers and Arçelik is entitled to terminate the contract in cases of serious violations.</p> <p>Arçelik manages the risk of suppliers’ involvement with Conflict Minerals through its Conflict Minerals Policy. In addition, Arçelik commits that its suppliers operate in compliance with the ILO Declaration on Fundamental Principles and Rights at Work, UN Declaration of Human Rights, UN Global Compact and UN Guiding Principles on Business and Human Rights.</p> <p>Arçelik also collects commitments from its suppliers regarding environmental impact via a commitment letter signed by Arçelik CEO, Chief Purchasing and Supply Chain Officer and Chief Marketing Officer. To this date, 166 suppliers signed the commitment letter to set GHG emission/water/waste/ energy efficiency targets.</p>
Targets and Metrics	<p>Arçelik aims to reduce Scope 3 emissions from the use of sold products according to its under-approval 1.5-degree SBTs. Arçelik also has the target to reduce water withdrawal per product by 45% in all manufacturing facilities by 2030.</p> <p>In order to do this, Arçelik puts effort into R&D Projects in order to develop products and technologies with lower energy and water needs.</p>	<p>Arçelik aims to establish renewable energy systems with 50MW capacity, purchase 100% green electricity, reduce energy consumption per product by 45%, double the energy productivity, make a minimum USD 50 million investment in renewable energy and energy efficiency by 2030. It also aims to implement ISO 50001 Energy Management Systems across our all-production facilities and reach 450 MW Arçelik-branded PV panel sales per year by 2025.</p> <p>Arçelik aims to reduce Scope 1, 2 and 3 GHG emissions according to its under-approval 1.5-degree SBTs by 2030 and reduce water withdrawal per product by 45%, increase the water recycling and reuse ratio to 70% and increase the waste recycling rate to 99% in all manufacturing plants.</p>	<p>Arçelik aims to ensure its suppliers have ISO 50001 certificate for suppliers exceeding 1,000 ToE by 2025 and 500 ToE by 2030. Arçelik also has a target in place to collect, monitor and publicly disclose Scope 1-2 emission, energy, water, and waste data for suppliers as of 2025.</p> <p>Arçelik also aims that all suppliers that have signed the Commitment Letter to set publicly available sustainability targets.</p>
Executive Compensation	<p>Arçelik defines the target of “Decreasing Scope 3 use phase GHG emissions” and it is included in the scorecards of CEO, CFO, Chief Technology Officer, Chief Marketing Officer, Chief Sustainability, Quality & Customer Care Officer, Related Executive Directors and Business Unit Managers. The target is linked to annual compensation and bonuses as incentives.</p>	<p>Arçelik defines targets of “Decreasing Scope 1-2 GHG emissions” and “Decreasing Scope 3 use phase GHG emissions” and it is included in the scorecards of CEO, CFO, Chief Technology Officer, Chief Marketing Officer, Chief Sustainability, Quality & Customer Care Officer, Related Executive Directors and Business Unit Managers. The target is linked to annual compensation and bonuses as incentives.</p>	<p>Arçelik defines the target of “Supply Chain Sustainability Integration”, and it is included in the scorecards of CEO, Chief Purchasing and Supply Chain Officer, Related Executive Directors and Business unit managers. The target is linked to annual compensation and bonuses as incentives.</p>

IMPACT VALUATION OF SIGNIFICANT EXTERNAL MATERIAL ISSUES		
	Energy and Water Efficient Products 	Climate Action 
Material Issue for External Stakeholder	<p>Almost 40% of the energy spent at home comes from the use of electronic appliances. This is also an important part of Arçelik's footprint since almost 80% of Arçelik's Scope 3 GHG emissions are related to the use phase of the products during their lifetime.</p> <p>Thus, increasing the sales of eco-efficient products would generate a positive impact on external stakeholders regarding climate transition.</p>	<p>E-waste is the fastest growing waste stream which is expected to reach c. 75 million tons by 2030* and large home appliances constitute almost more than half of all e-waste collected.</p> <p>The improper recycling of electronic waste may cause the release of harmful chemicals into the environment. Also, e-waste is usually rich in precious metals such as gold, silver, platinum, and copper. When e-waste is discarded without proper recycling of these precious metals, virgin materials are used which result in emissions**.</p> <p>Thus, effective WEEE management would generate a positive impact on external stakeholders regarding the environment as well as health and safety for those involved in recycling.</p>
Cause of Impact	<p>Since Arçelik has 14 brands that are being sold worldwide, increased sale of eco-efficient products will help reduce energy use and related carbon emissions globally.</p> <p>This will lead to a positive impact stemming from the products/services element of the business value chain and covers > 50% of business activity.</p>	<p>Arçelik carries out take back campaigns through which it replaces appliances in use with more energy-efficient ones and helps the reduction of emissions. As the only home appliance manufacturer in Europe to have its own WEEE Recycling Plants, Arçelik recovers metals as well as plastic at these plants. WEEE facilities also enable proper recycling plants in accordance with health and safety measures.</p> <p>Since Arçelik has control of the WEEE recycling operations in Türkiye, the positive impact stemming from this operation covers < 50% of business activity.</p>
External Stakeholder Evaluated	The impact of energy and water efficient products is evaluated considering both the environment and society.	The impact of increased end of life responsibility of products is evaluated considering both the environment and society.
Topic Relevance on External Stakeholders	Arçelik has a mission to create awareness among consumers about how to make informed choices on which products to choose and how to use them more efficiently to reduce energy and water consumption. Beko's Shed That Carbon campaign is dedicated to teaching consumers long lasting resource efficient habits for less harm on the environment. Coupled with the fact that demand for household appliances will soar especially in the developing regions particularly for refrigerators and air conditioners, eco-efficient products will have a positive impact on the environment and society by avoiding additional GHG emissions being put into the atmosphere if the products were produced without such energy efficiency targets. This serves to alter the impacts of carbon-related environmental degradation and societal negative externalities such as health problems, migration issues and labor productivity due to extreme weather events stemming from climate change.	Replacement of old products with energy and water efficient ones helps decrease energy and water consumption stemming from these products during their use phase. Proper dismantling and recycling of these household products helps rare precious metals and plastics to be put back into the economy and decrease the use of virgin materials which leads to emission avoidance generated in virgin material extraction process. Proper recycling methods help protect the health and safety of those involved in the e-waste recycling process as well. Since 2014, we have recycled roughly 1.75 million WEEE units in our WEEE recycling plants. We saved 487 GWh of energy between 2014 and 2023 by replacing old, high energy-consuming products with new, energy-efficient products. Thus, the action that Arçelik takes for the end-of-life treatment of products helps avoid additional GHG emissions.
Output Metric	<p>Using eco-efficient products saves energy compared to less-efficient alternatives. The amount of energy-saving compared to previous year provided by Arçelik's eco-efficient products are calculated in terms of Avoided GHG emission.</p> <p>Avoided GHG Emission in 2023: 316,294 tCO₂e.</p>	<p>Arçelik has two WEEE Recycling Plants, Eskisehir and Bolu in Türkiye. In 2023, materials such as metal, plastic, copper, glass etc. from old products have been recycled in these plants and brought back into the economy for reuse. Using these recycled materials instead of virgin materials avoids additional GHG emissions.</p> <p>Avoided GHG emissions in 2023: 24,010 tCO₂e.</p>
Impact Valuation	Social cost of carbon***	Social cost of carbon***
Impact Metric	Social cost avoided****: USD 60,095,860	Social cost avoided****: USD 4,561,900

*UN Global E-waste Monitor Report

**According to the World Economic Forum, if gold could be recycled from the e-waste accumulated, it would make up c.11% of the total amount mined each year.






***Social cost of carbon is taken as 190 USD per ton based on the estimates from Environmental Protection Agency's Report published in September 2022.

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

MATERIALITY ANALYSIS PROCESS

Executive Compensation

In order to ensure effective implementation of the company’s sustainability strategy, the sustainability-related KPIs are included in the C and D-level executives’ as well as relevant business unit managers’ and related expert employees’ annual performance evaluation score cards which are linked to material topics.

Material Topic	KPI	CEO	Chief Financial Officer	Chief Sustainability, Quality, and Customer Care Officer	Chief Production & Technology Officer	Chief Marketing Officer	Chief Strategy & Digital Officer	Chief People Officer	Chief Commercial Officer - Türkiye and South Asia	Chief Commercial Officer - Europe	Chief Commercial Officer Asia-Pacific	Chief Supply Chain and Procurement Officer	Other Employees Entitled for Incentive
 Climate Action	Decreasing Scope 1-2 GHG emissions	+	+	+	+						+		Related factory executive directors, business unit managers and experts
	Decreasing Scope 3 use phase GHG emissions	+	+	+	+	+				+			R&D Executive Director, Product Management Executive Director, Related factory executive directors, business unit managers and experts
 Sustainable Supply Chain Management	Supply chain sustainability integration	+		+								+	Purchasing Executive Director, Supply Chain Executive Director, Related business unit managers and experts
 Material Recycling and Reduction	Using recycled material in products	+		+	+								R&D Executive Director, Product Management Executive Director, Related factory executive directors, business unit managers and experts
	Using recycled material in packaging	+		+	+								
 Sustainable Financing	Green financing	+	+	+									Finance Executive Director, Related business unit managers and experts
	Sustainable finance reporting		+										
 Future Fit Culture, Talent & Organizational Management	Human rights							+					Human Rights and Culture related directors, business managers and experts
	DEI transformation	+	+		+		+	+	+		+		
	Employee engagement and turnover	+						+					

MATERIALITY ANALYSIS PROCESS

INTRODUCTION

MATERIALITY ANALYSIS PROCESS

IN DEPTH ANALYSIS AND DISCUSSION

SUMMARY AND THE WAY FORWARD



Risks and Opportunities

The outstanding risks and opportunities that arise from Enterprise Risk Management (ERM) studies and surveys are transferred onto a risk matrix in order to clarify their potential impacts and likelihoods and enable prioritization and proactive action. The sustainability-related topics are also included in this assessment as a way of incorporating outstanding sustainability issues.

In order to analyze the risks and opportunity potential of significant material issues, we map the material issues with the ESG risks and opportunities.

The corresponding financial risks and opportunities are evaluated within Arçelik’s overall ERM system via including them to the agenda of Early Detection of Risk Committee, reporting them to the Board of Directors, and integrating them into Arçelik’s risk matrix.

This process allows us to position the issues that arise from double materiality analysis within our overall risk universe. Outstanding material issues and corresponding risk items are mapped as follows:

Material Issue		Corresponding Risk / Opportunity Item
 Product Quality and Safety		<ul style="list-style-type: none">• Quality Management• Product Liability/Recall
 Climate Action		<ul style="list-style-type: none">• Carbon Border Adjustment Mechanism• Carbon Pricing• Renewable Energy Investment• Solar Power Business
 Energy and Water Efficient Products		<ul style="list-style-type: none">• Meeting Science Based Targets (SBTs)• Products with Less Negative Environmental Impact
 Sustainable Financing		<ul style="list-style-type: none">• Reputation Risk• Green Financing
 Sustainable Supply Chain Management		<ul style="list-style-type: none">• Supply Chain Disruption
 Occupational Health and Safety		<ul style="list-style-type: none">• Workplace Health & Safety
 Business Ethics and Transparency		<ul style="list-style-type: none">• Human Rights and Ethics in the Entire Value Chain• Conflict Minerals
 Data Privacy and Cybersecurity		<ul style="list-style-type: none">• Digitalization, Connected Devices and Cybersecurity
 Water Management		<ul style="list-style-type: none">• Water Stress Risk
 Waste Management		<ul style="list-style-type: none">• WEEE Fees• Plastic Pollution
 Biodiversity		<ul style="list-style-type: none">• Biodiversity

 To learn more about the risks and opportunities mentioned above, including their definitions, potential impact and mitigation actions, please refer to Arçelik’s 2023 Sustainability Report.

MATERIALITY ANALYSIS PROCESS

UN SDG Mapping

In order to better analyze our materiality topics in relation to global sustainable development trends, we have mapped all of our material issues to the UN SDGs, which can be seen below:

 Climate Action	    
 Water Management	   
 Waste Management	 
 Chemicals Management	
 Biodiversity	 
 Material Recycling and Reduction	 
 Energy and Water Efficient Products	   
 Durability, Reparability and Refurbishment	 
 End of Life Responsibility of Products	 
 Corporate Citizenship	                

 Business Ethics and Transparency	
 Corporate Governance	
 Sustainable Financing	
 Future Fit Culture, Talent & Organizational Management	    
 Occupational Health and Safety	 
 R&D, Innovation, Digital Transformation and Smart Solutions	
 Data Privacy and Cybersecurity	
 Customer and Consumer Experience	
 Product Quality and Safety	
 Sustainable Supply Chain Management	     

IN DEPTH ANALYSIS AND DISCUSSION

Sustainability
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IN DEPTH ANALYSIS AND DISCUSSION

DYNAMIC MATERIALITY









Since the sustainability field is changing and evolving at a rapid pace, we evaluate the changing significance levels of each issue according to stakeholder and senior management opinion, and as a reflection of shifting dynamics,


perspectives and sustainability-related trends. Thus, the dynamic materiality approach has been adopted and the significance levels of issues were compared with the previous assessment that took place in 2022.

Since the list of material topics has changed compared to last year, a topic-by-topic assessment could not be applied. However, common trends indicate that **Corporate Governance, Product Quality and Safety, and**

Future Fit Culture, Talent & Organizational Management increased in importance while a new topic –**Sustainable Financing** – entered the list as a highly significant topic.

Arçelik's material issues in 2022, and their corresponding topics in the 2023 assessment are given below:

2023 Material Topics	2022 Corresponding Material Topics
 Climate Action	<ul style="list-style-type: none">• Climate Crisis and Reducing Carbon Emissions• Energy Efficiency• Renewable Energy Production and Green Energy Use• Investing in New Climate and Eco-friendly Product and Service Solutions
 Water Management	<ul style="list-style-type: none">• Water Management
 Waste Management	<ul style="list-style-type: none">• Operational Waste and Zero Waste Approach
 Chemicals Management	<ul style="list-style-type: none">• Product Safety and Chemical Management
 Biodiversity	<ul style="list-style-type: none">• Biodiversity• Combating Deforestation
 Material Recycling and Reduction	<ul style="list-style-type: none">• Product Solutions that Prevent Plastic Pollution• Resource Efficiency in Product Manufacturing• Products Designed with a Circular Approach and Lifecycle Management• Sustainable Use of Raw Materials• Sustainable Packaging
 Energy and Water Efficient Products	<ul style="list-style-type: none">• Eco-efficient Products• Investing in New Climate and Eco-friendly Product and Service Solutions
 Durability, Reparability and Refurbishment	<ul style="list-style-type: none">• Products Designed with a Circular Approach and Lifecycle Management• Product Solutions that Prevent Plastic Pollution
 End of Life Responsibility of Products	<ul style="list-style-type: none">• Products Designed with a Circular Approach and Lifecycle Management
 Corporate Citizenship	<ul style="list-style-type: none">• Responsible Marketing and Responsible Consumption• Local Socio-Economic Development• Impact-Oriented Community Programs• Products and Services for Disadvantaged Groups

2023 Material Topics	2022 Corresponding Material Topics
 Business Ethics and Transparency	<ul style="list-style-type: none">• Business Ethics and Transparency• Human Rights and Fair Working Conditions• Conflict Minerals Management
 Corporate Governance 	<ul style="list-style-type: none">• Risk Analysis and Regulatory Compliance• Corporate Governance
 Sustainable Financing	NEW TOPIC
 Future Fit Culture, Talent & Organizational Management 	<ul style="list-style-type: none">• Talent Management and Capacity Transformation• Employee Well-being• Diversity and Inclusion
 Occupational Health and Safety	<ul style="list-style-type: none">• Occupational Health and Safety
 R&D, Innovation, Digital Transformation and Smart Solutions	<ul style="list-style-type: none">• Smart Product and Digital Technologies• Digitalization• Open Innovation• Sustainable Technology and Innovation
 Data Privacy and Cybersecurity	<ul style="list-style-type: none">• Information Security and Management of Cyber Risks
 Customer and Consumer Experience	<ul style="list-style-type: none">• Smart Product and Digital Technologies• Product Safety and Chemical Management• Investing in New Climate and Eco-friendly Product and Service Solutions
 Product Quality and Safety 	<ul style="list-style-type: none">• Product Quality• Product Safety and Chemicals Management
 Sustainable Supply Chain Management	<ul style="list-style-type: none">• Supply Chain Management

 : Increasing importance

IN DEPTH ANALYSIS AND DISCUSSION

IN DEPTH QUESTIONS

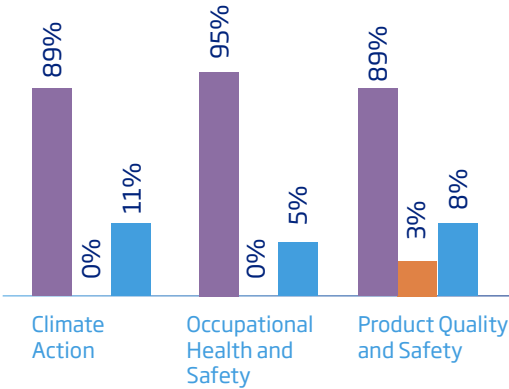
During the survey phase of the materiality analysis, we aimed at gaining an insight into the respondents’ rating of material topics. Thus, we included additional questions in the survey to be able to make an in-depth analysis.

In order to understand whether the perceived impact of Arçelik is positive or negative, the following question was asked:

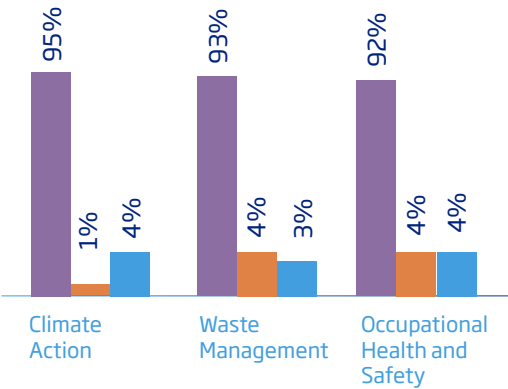
Question:
Please select whether you think Arçelik has a positive/negative impact on the “very important” issues.

When we evaluated the answers for stakeholder groups that submitted a significant number of responses, the results were as follows:

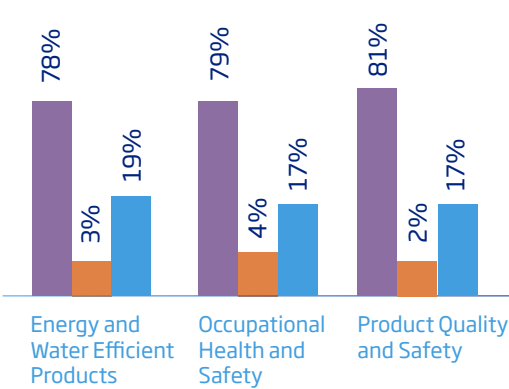
Suppliers



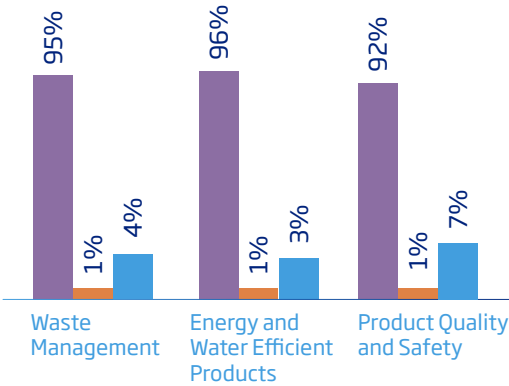
Authorized Services



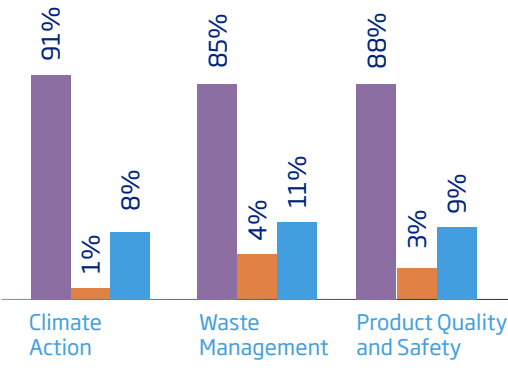
B2C



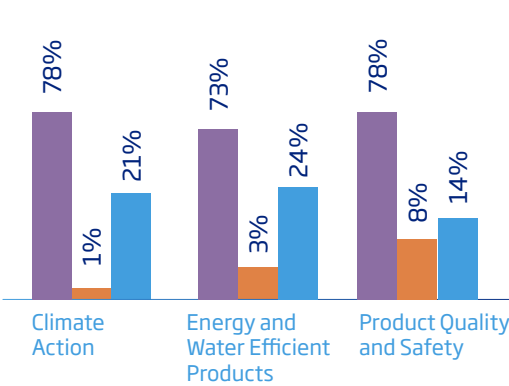
Dealers



Employees



Other Stakeholders



Positive Negative Both positive and negative



IN DEPTH ANALYSIS AND DISCUSSION





















Overall, a significant majority of stakeholders believe that Arçelik has a positive impact on material topics related to the environment and society.

In order to differentiate the most material topics, the respondents were also asked to rank the issues they think are “very important” with the question below:

Question:
Please rank the issues you selected as “very important” amongst themselves



When we look at the number of times each issue was ranked, the topics that were ranked in first place most often were as follows:

Stakeholder Group	Top 3 Topics
 Supplier	  
 Dealer	  
 Authorized Service	  
 Employee	  
 B2C	  

In order to understand the motives behind the scorings and rankings, an open-ended question was directed to participants as follows:

Question:
Please tell us the reason why you selected these issues as “very important”.

Some of the notable replies included:

Climate action is crucial for sustainability because it addresses the pressing issue of greenhouse gas (GHG) emissions, which contribute to global warming. Decarbonization efforts, such as reducing GHG emissions, are vital to curb climate change's adverse effects on the planet. Embracing renewable energy, such as using Arçelik branded solar panels, plays a key role in mitigating environmental impact. By adopting and spreading renewable energy use, we can significantly contribute to a more sustainable future and combat the challenges posed by climate change.

- Anonymous employee

Climate action is crucial to advancing sustainable development, safeguarding our planet for a better future. It constitutes a comprehensive strategy for mitigating environmental damage and driving socio-economic progress through collective engagement and sustainable practices embedded into our daily lives.

- Anonymous supplier

IN DEPTH ANALYSIS AND DISCUSSION



Environmental pollution represents a significant threat to human health and biodiversity. Urgent action is needed to mitigate the effect of the crisis as it not only impacts human health, but also the delicate balance of life on which we all depend.

- Anonymous academic



Water is a precious gift given by nature and carries with it the responsibility to safeguard its limited abundance as water resources are getting scarcer. Thus, it is important that we optimize our products to minimize water usage and promote sustainability across production and consumption.

- Anonymous employee

As a final point, we tried to understand how our stakeholders evaluate Arçelik's performance on the material topics. Thus, the following question was directed to participants:

Question:
How effectively do you think Arçelik manages the issues you selected as "very important"?

This question required respondents to rate all 20 materiality topics separately on a five-point Likert scale with the following options:

Very important

Important

Somewhat important

Not very important

Not important at all

Topics were assigned a score between 1 and 5 according to each stakeholder rating (with 5 points assigned for "Very effective" and 1 for "Not effective at all"). The weighted average of all responses was calculated for each topic. Top 10 material topics that Arçelik manages in the most effective way are as follows:

 1- Energy and Water Efficient Products

 2- Occupational Health and Safety

 3- Product Quality and Safety

 4- Business Ethics and Transparency

 5- Climate Action

 6- Water Management

 7- Sustainable Supply Chain Management

 8- Customer and Consumer Experience

 9- Waste Management

 10- Material Recycling and Reduction



IN DEPTH ANALYSIS AND DISCUSSION

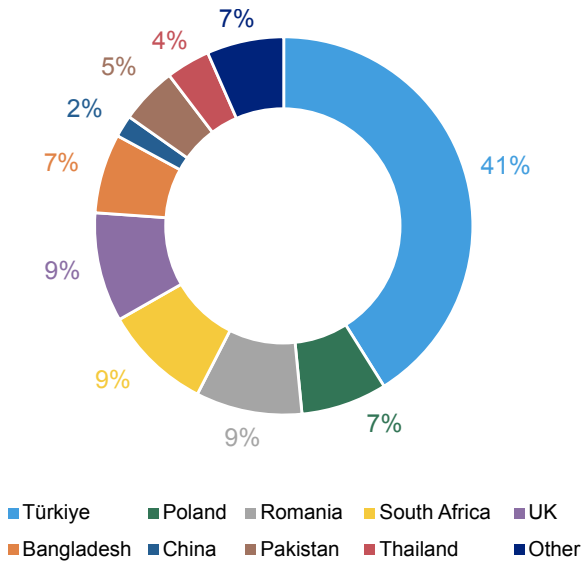
REGIONAL DISCUSSION

Arçelik maintains operations in 52 countries with its subsidiaries, production facilities, R&D centers, and offices supporting a workforce of more than 40,000 employees worldwide, with 47% of employees located in the company's country of headquarters and 53% in other countries. Including the supply chain and B2B and B2C customers, this geographical distribution becomes even more widespread. Thus, viewing the materiality topics with a regional lens is necessary for Arçelik to make an accurate assessment.



In order to be able to evaluate the regional dimension of responses, the country of residence of survey respondents was tallied as follows:

Regional Breakdown of Respondents' Country of Residence



"Other" countries include:	Australia	Italy
	Austria	Malaysia
	Belgium	Netherlands
	Czech Republic	Serbia
	Egypt	Singapore
	France	Spain
	Germany	US
	Indonesia	Vietnam

The figures show that the materiality analysis survey was successful in reaching out to locations where Arçelik has significant operations and in accounting for geographical diversity.

In order to be able to identify any location-sensitive data, the survey responses were also examined from a geographical perspective. The most outstanding topics from Türkiye, Poland, Romania, South Africa, UK, Bangladesh, China, Pakistan and Thailand (which are the countries that are home to the greatest number of respondents) were identified as follows:

Countries	Top 3 Topics
Türkiye	
Poland	
Romania	
South Africa	
UK	
Bangladesh	
China	
Pakistan	
Thailand	

When we look at the country-based data, we see that Climate Action is crucially important for our stakeholders from all regions, ranking among the top three material issues in almost all countries (except the UK).

This supports Arçelik's strong stance on combating climate change, its solid climate change strategy and roadmap, and net zero commitments.

To learn more about Arçelik's climate strategy and actions, please refer to Arçelik's 2023 Sustainability Report.

We also see that water management stands out as a highly material issue, especially for countries that face water scarcity such as Türkiye, Pakistan, Bangladesh, and Thailand. According to Arçelik's in-house water stress analysis, conducted based on the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCPs) for 2030, the Eskişehir, Manisa, and Ankara plants in Türkiye; the Kabin Buri plant in Thailand; the Karachi plant in Pakistan, and the Dhaka plant in Bangladesh are likely to be under extremely high water stress. The survey results suggest that stakeholders that are located in these locations are especially sensitive to this issue. Arçelik has a detailed sustainable water management strategy and takes actions proactively.



IN DEPTH ANALYSIS AND DISCUSSION



To learn more about Arçelik's water management approach, please refer to Arçelik's 2023 Sustainability Report.

The topic of chemical management was ranked among the top three issues in two European countries, Romania and the UK, which is likely to be the result of enhanced regulations within the EU. European stakeholders are likely to have increased consciousness about this topic, especially given the introduction of the EU's Chemical Strategy for Sustainability. Arçelik carefully manages its chemical management strategy.



To learn more about Arçelik's chemical management strategy, please refer to Arçelik's 2023 Sustainability Report.

Waste management and the environmental repercussions of waste are likely to be seen as more serious problems in developing countries such as Bangladesh, China, Pakistan, and Thailand, as evident from the top three priorities of these countries. Arçelik's waste management processes are strictly compliant with local regulations and the company makes its best efforts to go beyond the requirements.



To learn more about Arçelik's waste management approach, please refer to Arçelik's 2023 Sustainability Report.





SUMMARY AND THE WAY FORWARD

Sustainability
at Heart:
*Where feels
Like Home
begins*



SUMMARY AND THE WAY FORWARD

Once we take a step back and look at the big picture of our materiality analysis, we see that the sustainability field is changing rapidly, and our stakeholders’ needs and expectations are evolving and becoming more demanding. On top of this, these expectations differ based on stakeholder groups, regions and personal priorities. Even though meeting these various expectations is a challenging task, we aim to respond to as many needs as possible with the help of our solid sustainability strategy and related action plans.

Conducting regular materiality analysis surveys, adopting a double and dynamic materiality approach, and reshaping the sustainability strategy accordingly when necessary are critical. Going forward, we aim to improve the analysis methodology and expand our reach. According to the lessons learned from the 2023 materiality analysis process, stakeholder feedback collection can be designed in a way that enables stakeholders’ interaction, creates a forum for discussion, and allows more room for qualitative feedback.



Arçelik

Materiality

Report 2023

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-  [PREVIOUS SUSTAINABILITY REPORTS](#)

2023 MATERIALITY REPORT

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sustainability@arcelik.com

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