ARÇELİK A.Ş.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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10/22/2024, 09:00 am

Contents

C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of organization

Arçelik is a global household appliance company that serves as the central entity of a global network comprising 82 subsidiaries across 53 countries, with 31 production facilities in nine countries and a workforce exceeding 40,000 employees worldwide as of the end of 2023 financial year. The company's portfolio includes renowned brands such as Altus, Arctic, Arçelik, Beko, Blomberg, Dawlance, Defy, Elektrabregenz, Flavel, Grundig, Hitachi, Leisure, Singer*, and VoltasBeko. In January 2024, Arçelik reached a significant milestone in global growth journey by signing a strategic agreement with Whirlpool to establish a partnership in Europe. This business, Beko Europe, will be created through the transfer of manufacturing, distribution, and sales subsidiaries from both Whirlpool and Arçelik. This strategic move will not only elevate Arçelik as the world's second-largest home appliance manufacturer in unit terms but also expand the brand portfolio, reinforce Beko's presence in Europe, and enhance our global influence as a leader in sustainability and innovation. In 2023, Arçelik reported consolidated revenues of TRY 257.1 billion (EUR 8 billion), with 63% generated from markets outside Türkiye. TRY 5,732 Million was spent to environmental related investments and expenditures, EUR 3.77 Million fund obtained from Horizon Europe Projects. Arçelik's commitment to innovation is evidenced by over 2,200 research personnel employed across 28 R&D and design centers globally, resulting in more than 3,100 patent applications and patents across all operational segments. For the fifth consecutive year, Arçelik achieved 86/100 points in the Dow Jones Sustainability Indices which is the highest score in the DHP Household Durables Industry. Notably, the washing machine plant in Ulmi, Romania, and refrigerator plant in Eskişehir, Türkiye, were recognized as members of the "Global Lighthouse Network", a prestigious community of manufacturers leading in Fourth Industrial Revolution technologies. Furthermore, Arçelik's dedication to sustainable practices in water and energy management brought Ulmi washing machine plant a position among the World Economic Forum Global Lighthouse Network's 10 Sustainability Lighthouses. Thanks to sustainability as a business model approach, 64% green electricity used in all manufacturing operations, 288,973 m3 water saved and recycled, 95,680 GJ energy saved and 6,983 tCO2e prevented with energy efficiency projects in production processes, 2,049 Tonnes of material reduction achieved, and 16,543 Tonnes of recycled plastic used in Arçelik products. In 2023, 50.2% turnover is obtained from energy efficient products and 62.4% from low-carbon products. In addition, Arçelik also puts effort to create impact in society. The company has established a partnership with Water.org to provide 10,000 Kenyans with access to safe water, created WE-inTech Program in 4 different countries to empower women engineers, reached and supported 108 women dealers, 503 women entrepreneurs and 644 women technicians.*
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☑ 1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☑ 1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ 1 year

[Fixed row]

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

ARCLK

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No
[Add row]

(1.8) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
	Select from: ☑ Yes, for all facilities	*Arçelik identifies the geolocation data for its operation location which allows us to better assess climate-related risks and opportunities.*

[Fixed row]

(1.8.1) Please provide all available geolocation data for your facilities.

Row 1

(1.8.1.1) Identifier

Bolu, Türkiye Cooking Appliances Plant (PCI)

(1.8.1.2) Latitude

40.763014

(1.8.1.3) Longitude

31.642906

(1.8.1.4) Comment

Bolu, Türkiye Cooking Appliances Plant

Row 2

(1.8.1.1) Identifier

Eskişehir, Türkiye Refrigerator Plant (EBI)

(1.8.1.2) Latitude

39.755959

(1.8.1.3) Longitude

30.637931

(1.8.1.4) Comment

Eskişehir, Türkiye Refrigerator Plant

Row 3

(1.8.1.1) Identifier

Manisa, Türkiye Refrigerator Plant and Washing Machine Plant (MBI-MCI)

(1.8.1.2) Latitude

38.616725

(1.8.1.3) Longitude

27.352324

(1.8.1.4) Comment

Manisa, Türkiye Refrigerator Plant and Washing Machine Plant

Row 4

(1.8.1.1) Identifier

Ankara, Türkiye Dishwasher Plant (BMI)

(1.8.1.2) Latitude

39.975472

(1.8.1.3) Longitude

32.563137

(1.8.1.4) Comment

Ankara, Türkiye Dishwasher Plant

Row 5

(1.8.1.1) Identifier

Tekirdağ, Türkiye White Goods Engine and Small Home Appliances Plant, Tumble Dryer Plant and Electronics Plant (EMI-KMI-CEI-BEI)

(1.8.1.2) Latitude

41.303332

(1.8.1.3) Longitude

27.96144

(1.8.1.4) Comment

Tekirdağ, Türkiye White Goods Engine and Small Home Appliances Plant, Tumble Dryer Plant and Electronics Plant

Row 6

(1.8.1.1) Identifier

Arçelik LG AC and Arcelik Cayırova WM Plant (CMI-ARCELIK LG)

(1.8.1.2) Latitude

40.81847

(1.8.1.3) Longitude

29.359804

(1.8.1.4) Comment

Gebze, Türkiye Arçelik LG and Washing Machine Plant

Row 7

(1.8.1.1) Identifier

Shanghai, China Arçelik Hitachi Washing Machine Plant (AHSH)

(1.8.1.2) Latitude

31.230416

(1.8.1.3) Longitude

121.473701

(1.8.1.4) Comment

Shanghai, China Arçelik Hitachi Washing Machine Plant

Row 8

(1.8.1.1) Identifier

Arçelik Hitachi Home Appliances (AHTH 1-2)

(1.8.1.2) Latitude

14.067561

(1.8.1.3) Longitude

101.832537

(1.8.1.4) Comment

Arçelik Hitachi Home Appliances

Row 9

(1.8.1.1) Identifier

Rayong, Thailand Refrigerator Plant (BEKO THAI)

(1.8.1.2) Latitude

12.819161

(1.8.1.3) Longitude

101.260304

(1.8.1.4) Comment

Rayong, Thailand Refrigerator Plant

Row 10

(1.8.1.1) Identifier

Kirzhach, Russia BEKO LLC Refrigerator and Washing Machine Plant (BEKO LLC)

(1.8.1.2) Latitude

56.110162

(1.8.1.3) Longitude

38.842151

(1.8.1.4) Comment

Kirzhach, Russia BEKO LLC Refrigerator and Washing Machine Plant

Row 11

(1.8.1.1) Identifier

Lipetsk, Russia IHP Appliances JSC Refrigerator Plant and Washing Machine Plant (IHP WM-REF)

(1.8.1.2) Latitude

52.567163

(1.8.1.3) Longitude

39.684386

(1.8.1.4) Comment

Lipetsk, Russia IHP Appliances JSC Refrigerator Plant and Washing Machine Plant

Row 12

(1.8.1.1) Identifier

Ulmi, Romania Arctic Washing Machine Plant (ARCTIC ULMI)

(1.8.1.2) Latitude

44.874355

(1.8.1.3) Longitude

25.515122

(1.8.1.4) Comment

Ulmi, Romania Arctic Washing Machine Plant

Row 13

(1.8.1.1) Identifier

Gaeşti, Romania Arctic Refrigerator Plant (ARCTIC GAESTI)

(1.8.1.2) Latitude

44.709274

(1.8.1.3) Longitude

25.350787

(1.8.1.4) Comment

Gaeşti, Romania Arctic Refrigerator Plant

Row 14

(1.8.1.1) Identifier

Ezakheni, South Africa Refrigerating Appliances Plant (DEFY EZAKHENI)

(1.8.1.2) Latitude

-28.637067

(1.8.1.3) Longitude

29.86307

(1.8.1.4) Comment

Ezakheni, South Africa Refrigerating Appliances Plant

Row 15

(1.8.1.1) Identifier

Jacobs, South Africa Defy Cooking Appliances, Dryer and Washing Machine Plant (DEFY JACOBS)

(1.8.1.2) Latitude

-29.923196

(1.8.1.3) Longitude

30.985052

(1.8.1.4) Comment

Jacobs, South Africa Defy Cooking Appliances, Dryer and Washing Machine Plant

Row 16

(1.8.1.1) Identifier

Karachi, Pakistan Refrigerator and TV Plant and Washing Machine, A/C and Cooking Appliances Plant (DAWLANCE DPL1-2)

(1.8.1.2) Latitude

24.855243

(1.8.1.3) Longitude

67.236988

(1.8.1.4) Comment

Karachi, Pakistan Refrigerator and TV Plant and Washing Machine, A/C and Cooking Appliances Plant

Row 17

(1.8.1.1) Identifier

Hyderabad, Pakistan Refrigerator Plant (DAWLANCE URIL)

(1.8.1.2) Latitude

25.374678

(1.8.1.3) Longitude

68.386098

(1.8.1.4) Comment

Hyderabad, Pakistan Refrigerator Plant

Row 18

(1.8.1.1) Identifier

Dhaka, Bangladesh Refrigerator Plant and TV, A/C and Washing Machine Plant (SINGER)

(1.8.1.2) Latitude

23.794339

(1.8.1.3) Longitude

90.26578

(1.8.1.4) Comment

Dhaka, Bangladesh Refrigerator Plant and TV, A/C and Washing Machine Plant

Row 19

(1.8.1.1) Identifier

Gujarat, India Voltbek Refrigerator Plant (VOLTBEK)

(1.8.1.2) Latitude

22.984409

(1.8.1.3) Longitude

72.261857

(1.8.1.4) Comment

Gujarat, India Voltbek Refrigerator Plant
[Add row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:
☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply
☑ Upstream value chain
☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:
☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:
☑ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

In order to have a comprehensive understanding of the supply chain risks and dependencies from an ESG and business perspective, Arçelik carries out a screening process as defined in the Supplier ESG Program to better manage the related risks. In the supplier screening process, several risk factors such as the country-specific risks, sector specific risks, and commodity specific risks, as well as the dependence on the and the potential ESG risks of the supplier, are taken into account. In 2023, the number of significant suppliers was defined in Tier 1 as 593 through the risk factors, and in Tier-2 as 1901 by asking our suppliers to classify their suppliers accordingly. Some of the priority areas for logistics suppliers are determined as decreasing emissions, reducing/recycling/reusing material, green transition at warehouses, sustainable strategic partnerships, collection and analysis of logistics ESG data. In line with these strategic categories, several ESG initiatives are

taking place in logistics operations. Regarding our customers, we have nearly 3,000 dealers and 49,000 retailers and retail chains. We have also established partnerships with our strategic retailers to enhance cooperation in line with our ESG priorities such as increasing sales of energy-efficient appliances.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:
☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply
☑ Upstream value chain
☑ Downstream value chain
☑ End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply
☑ Recycling
☑ Waste to Energy
☑ Incineration
☑ Landfill
[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

1

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Arçelik's Enteprise Risk Management processes and strategic planning framework also defines "short-term" as 1-3 years.

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Arçelik's Enteprise Risk Management processes and strategic planning framework also defines "medium-term" as 4-10 years.

Long-term

(2.1.1) From (years)

11

(2.1.2) Is your long-term time horizon open ended?

Select from:
☑ No

(2.1.3) To (years)

30

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Arçelik's Enteprise Risk Management processes and strategic planning framework also defines "long-term" as 11-30 years.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

☑ Plastics

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks
☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain
☑ End of life management

(2.2.2.4) Coverage

Select from:
☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply
☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:
☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:
☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:
☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply
☑ Site-specific
☑ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools
☑ Encore tool
☑ IBAT – Integrated Biodiversity Assessment Tool
☑ TNFD – Taskforce on Nature-related Financial Disclosures
☑ WRI Aqueduct
☑ WWF Biodiversity Risk Filter

Enterprise Risk Management
☑ Risk models
☑ Stress tests
☑ Internal company methods
☑ Enterprise Risk Management
☑ ISO 31000 Risk Management Standard
☑ COSO Enterprise Risk Management Framework

International methodologies and standards
☑ IPCC Climate Change Projections

☑ ISO 14001 Environmental Management Standard
☑ Life Cycle Assessment

Other
☑ Desk-based research
☑ External consultants
☑ Internal company methods
☑ Materiality assessment
☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical
☑ Cold wave/frost
☑ Cyclones, hurricanes, typhoons
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Heat waves
☑ Wildfires

Chronic physical
☑ Sea level rise
☑ Water stress

Policy
☑ Carbon pricing mechanisms
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation
☑ Limited or lack of river basin management

Market
☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials
☑ Changing customer behavior
☑ Uncertainty in the market signals

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Technology

☑ Data access/availability or monitoring systems
☑ Transition to increasing recycled content
☑ Transition to lower emissions technology and products

Liability

☑ Exposure to litigation
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs
☑ Customers
☑ Employees
☑ Investors
☑ Suppliers
☑ Regulators
☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Arçelik identifies its sustainability-related dependencies, impacts, risks and opportunities by covering the whole value chain processes, including direct operation, upstream and downstream operations and end of life management along with the significant suppliers. Arçelik assesses its Tier-1 material and product suppliers through its in-house Supplier Sustainability Index project. Within this scope, there are both qualitative and quantitative assessments. Arçelik assesses topic such as Carbon Border Adjustment Mechanism (CBAM), compliance with its Science Based Targets (SBTs), water stress, carbon pricing, green financing, impact of renewable energy and solar power investments from both a qualitative and quantitative perspective and reporting the estimated financial impact of these issues. Some other topics are evaluated only qualitatively such as supply chain disruption risk, digitalization and cyber security, fees resulting from Waste Electric Electrical Equipment (WEEE), plastic pollution, human rights and ethics, conflict minerals and biodiversity. Enterprise Risk and Insurance Management Directorate includes these risks in its reports to the Risk Committee. Sustainability risks, including climate-related physical and transition risks are considered in the evaluation criteria of business decisions. These assessments are reviewed at least twice a year and necessary adjustments are made and responsible business units as well as senior management are informed. The Early Detection of Risk Committee is the highest governing body for the management of all dependencies, impacts, risks and opportunities of Arçelik. Thus, governing ESG-related issues including climate, water, plastics, and biodiversity-related ones falls under the oversight of this committee. Short, medium and long-term risks are defined with these assessments. It is essential for Arçelik to integrate the dependencies, impacts, risks and opportunities arising from sustainability topics into the Enterprise Risk Management (ERM) system to execute the relevant action plans in line with the corporate sustainability strategy. Thus, Arçelik Enterprise Risk and Insurance Management Directorate and Sustainability Department work in coordination to integrate ESG-related dependencies, impacts, risks and opportunities and into the Arçelik's overall Enterprise Risk Matrix. While some analyses are site-specific such as water stress, other are considered at national level, especially when the topic is related to a regulation such as CBAM or plastic legislations. Tools used include -WRI Aqueduct for Water Stress risk, -TNFD for biodiversity, -Stress tests, COSO Framework, ISO 31000 combined with internal company methods for risk models and enterprise risk management approach, -Life Cycle Assessment for impacts of the products, -IPCC Climate Change Projections for scenario analyses. In general, scenario analyses and desk-based research are conducted about up-to-date information and methodologies, external consultants (such as S&P), materiality assessment and other internal company methods are used to make an accurate and comprehensive assessment. All risk types, namely acute physical, chronic physical, policy, market, reputation, technology, liability are considered. In order to do this internal and external stakeholders' (NGOs, customers, employees, investors, suppliers, regulators, local communities) positions are taken into account, including their feedback with surveys.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

At Arçelik, all current sustainability-related topics and trends are continuously being closely monitored and the issues that are significant for Arçelik are identified with a risk&opportunity and impact&dependency perspective. In order to understand the impact of Arçelik on significant issues and such as climate change, water and waste management, biodiversity, energy and water efficient products etc., and the dependency of Arçelik to such issues, a double materiality analysis has been conducted. Arçelik assesses the outside-in effects in order to analyze the impact and inside-out effects for dependencies. This impact&dependency assessment is

linked to risk&opportunity assessment by mapping the material topics with relevant business risks&opportunities and integrating them into Arçelik's Enterprise Risk Management (ERM) matrix. You may see Arçelik 2023 Sustainability Report page 29 for the materiality matrix where the impacts and dependencies are highlighted and page 32 for the Enterprise Risk Matrix where the impacts&dependencies are located into the matrix of risks&opportunites according to their "impact" and "probability". At Arçelik, we also have assessed our nature-related impacts and dependencies based on sector and location to better address the circumstances that would create a risk for Arçelik's own operations using tool such as Science Based Targets for Nature (SBT-N) Materiality Screening Tool and WWF - Biodiversity Risk Filter for sectoral inventories and species inventories and biodiversity areas were evaluated using the Integrated Biodiversity Assessment Tool (IBAT). Proximity to areas with high biodiversity impact is also a significant consideration for both impact and dependency assessments.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

In order to identify its priority locations across the value chain, Arçelik considers the vulnerability of its locations against physical factors based on substantive dependencies to nature and resources, the operations' impact on the locations as well as climate-related risks and opportunities. For this reason, S&P Trucost

Climate Change Physical Risk Analytics has been applied to measure Arçelik's physical risks for its own operations and selected suppliers. Private Trucost owned datasets as well as other datasets including but not limited to WRI Aqueduct, CMIP5 multimodelaverage, NOAA and Climate Central have been used and seven key climate change physical hazards have been considered: flood, water stress, heatwave, cold wave, hurricanes, sea level rise and wildfires. Based on the results of the analyses, water stress risks were determined as the most significant risks for Arçelik in terms of physical climate risks. Thus, we identify the priority locations based on water stress levels. We work to identify water risks, in regions of operation as well throughout the value chain in order to take necessary actions for mitigation. Our Environment Working Group is responsible for water risk management. The WG conducts water stress analysis for all our locations based on the World Resources Institute's (WRI) Aqueduct Water Risk Atlas and with the help of related finance and strategic planning departments, the possible financial impact of the risk is calculated. Arçelik conducted scenario analyses in order to clearly define the water stress risks, define mitigating actions and adaptation plans for all of its operation locations as well as new operations. For the analysis, all Arçelik locations were analyzed according to Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCPs): RCP 2.6 (Low Climate Scenario), RCP 4.5 (Moderate Climate Scenario) and RCP 8.5 (High Climate Scenario) for the year 2030. RCP 8.5 was selected as the main scenario for priority location analysis. Thus, the water withdrawal, discharge and consumption data for these locations are monitored carefully.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ Yes, we will be disclosing the list/geospatial map of priority locations

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ EBITDA

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

*Arçelik Enterprise Risk Management System takes global best practices into consideration, especially ISO 31000 Risk Management Standard and COSO Enterprise Risk Management Framework. All identified risks are prioritized in view of various metrics including risk score, financial impact, time horizon over which the effect will occur and the perceived likelihood on top of a qualitative assessment regarding the business significance. According to Arçelik's risk and opportunity scoring methodology; the risks and opportunities are scored (1-5 points) considering financial, reputation, production, operational, human, and legal impacts and the maximum score is defined as an impact point. All risks are evaluated according to impact and frequency criteria. The frequency of the risks and opportunities are also scored (1-5 points). The risk (R) and opportunity (O) points are scored by multiplying frequency (F) and impact point (I) for prioritization (R, OF*I). For scoring financial impact, Arçelik risk tolerance level should be considered. Risk tolerance can be defined as an appropriate level of financial loss that does not have a significant impact on the company. In Arçelik the substantive financial impact is related to Arçelik risk tolerance level and is defined according to financial loss before tax. The risks levels are defined as follows: -Low: Less than 1% decrease in EBITDA -Moderate 1% - 3% decrease in EBITDA -High: 3% - 5% decrease in EBITDA -Severe: 5% - 10% decrease in EBITDA -Critical: More than 10% decrease in EBITDA. After analyzing the quantitative risk significance, Arçelik looks at the time horizon and likelihood of the risk for a qualitative assessment.*

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ EBITDA

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

*The opportunities are assessed in view of various metrics including score, financial impact, time horizon over which the effect will occur and the perceived likelihood. According to Arçelik's risk and opportunity scoring methodology; the risks and opportunities are scored (1-5 points) considering financial, reputation, production, operational, human, and legal impacts on top of a qualitative assessment regarding the business significance and the maximum score is defined as an impact point. The frequency of the opportunities are also scored (1-5 points). The opportunity (O) points are scored by multiplying frequency (F) and impact point (I) for prioritization (OF*I). For scoring financial impact, Arçelik ability to realize the opportunity should be considered. Thus the opportunity levels are defined as follows: -Low: Less than 1% increase in EBITDA -Moderate 1% - 3% increase in EBITDA -High: 3% - 5% increase in EBITDA -Severe: 5% - 10% increase in EBITDA -Critical: More than 10% increase in EBITDA. After analyzing the quantitative opportunity significance, Arçelik looks at the time horizon and likelihood of the opportunity for a qualitative assessment.*
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

(1) Details of the process and an established standard to identify and classify potential water pollutants followed by Arçelik: Arçelik has a water management guideline that includes water, wastewater, recycled and reused water subjects to have a global approach. In this guideline, potential water pollutants identified and classified as associated with our activities. Our facilities are divided into two categories according to their process as follows: facilities which produce domestic wastewater only and facilities which produce industrial and/or mixed wastewater. (2) Indicators to identify pollutants: According to this guideline, we defined minimum physical requirements, control parameters and internal limits (for 36 pollutants parameters) of recycled water to eliminate the adverse impacts of potential water pollutants on water ecosystems or human health. For the first category we defined 5 parameters and for the second category we defined 22 parameters including COD, TSS, Nitrites, Heavy metals etc. Arçelik will follow these parameters, even if they are not mandatory in local regulations.
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Other nutrients and oxygen demanding pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Chemical Oxygen Demand (COD) and Ammonia Nitrogen (NH4-N) are critical parameters linked to our industrial processes, particularly surface treatments and painting, as well as domestic wastewater. High COD levels can lead to water pollution, posing risks to aquatic ecosystems. Microorganisms that break down organic matter consume large amounts of oxygen, leading to depletion in the water, which can result in the death of aquatic organisms and disrupt ecological balance, threatening biodiversity. Excess nutrients like nitrogen, combined with organic matter, create conditions for rapid algal growth. These blooms deplete oxygen, produce toxins harmful to aquatic life, and impact water quality. In terms of human health, high COD levels can indirectly affect well-being. Contaminated water sources pose risks to public health, potentially leading to waterborne diseases such as gastrointestinal infections. At Arçelik, we actively monitor these parameters to ensure compliance with internal standards and legal regulations. By effectively managing wastewater, we aim to minimize the potential impacts of these pollutants on water bodies, ecosystems, and public health. Non-compliances with the legal framework may result in both punitive sanctions and the potential for reputational loss.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

How procedures selected manage risks of the potential impacts outlined: Arçelik has established a water management guideline covering water, wastewater, and recycled water to adopt a global approach. The guideline identifies and classifies potential water pollutants associated with our activities, categorizing facilities into two types: i) those producing domestic wastewater and ii) those producing industrial or mixed wastewater. For domestic wastewater facilities, we monitor five parameters, while for industrial facilities, we track 22 parameters, including COD, TSS, Nitrites, and Heavy Metals. The commitment to measure these parameters through third-party laboratories ensures diligence, even beyond local regulations. Additionally, Arçelik defined minimum physical requirements, control parameters, and internal limits for recycled water to mitigate adverse impacts on ecosystems and human health. How success is measured and evaluated: Arçelik aims to increase the water recycling and reuse ratio to 70% by 2030. Success in achieving this goal is monitored through the established measurement of water parameters, with compliance checked against legal discharge limits to protect ecosystems, human health, and biodiversity. Periodic assessments of treated wastewater discharges to municipal sewage lines ensure that standards are maintained, with all analyses conducted by third-party laboratories, enhancing accountability and transparency in our water management practices.

Row 3

(2.5.1.1) Water pollutant category

Select from:

☑ Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

The main source of the parameters mentioned here—Active Chlorine(NaClO), Sulfide(S^2), Total Chromium, Chromium (IV)(Cr^6), Lead (Pb), Total Cyanide(CN), Mercury(Hg), Cadmium(Cd), Aluminium(Al), Iron(Fe), Fluoride(F), Copper(Cu), Nickel(Ni), Zinc(Zn), and Silver(Ag)—is domestic wastewater. In the environment, inorganic pollutants can contaminate surface and groundwater sources, leading to the degradation of ecosystems and loss of biodiversity. These pollutants can accumulate in soil, affecting its fertility and potentially entering the food chain, thereby posing risks to both terrestrial and aquatic organisms. Heavy metals like lead, mercury, cadmium, and arsenic, known for their persistence and toxicity, can have long-lasting detrimental effects on flora and fauna, impairing their growth, reproduction, and overall survival. Contaminated water supplies pose direct risks to human health. Consumption of water contaminated with heavy metals can lead to serious health issues, including nervous system damage, kidney and liver impairment, and an increased risk of certain cancers. Additionally, exposure to chemical contaminants in wastewater can cause respiratory problems, skin irritation, and endocrine disruptions. At Arçelik, we actively monitor these parameters to ensure compliance with internal standards and legal regulations. Non-compliance could lead to punitive actions and reputational damage, further motivating our efforts to maintain rigorous environmental standards.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Implementation of integrated solid waste management systems

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

How procedures selected manage risks of the potential impacts outlined: Arçelik has established a water management guideline covering water, wastewater, and recycled water to adopt a global approach. The guideline identifies and classifies potential water pollutants associated with our activities, categorizing facilities into two types: i) those producing domestic wastewater and ii) those producing industrial or mixed wastewater. For domestic wastewater facilities, we monitor five

parameters, while for industrial facilities, we track 22 parameters, including COD, TSS, Nitrites, and Heavy Metals. The commitment to measure these parameters through third-party laboratories ensures diligence, even beyond local regulations. Additionally, Arçelik defined minimum physical requirements, control parameters, and internal limits for recycled water to mitigate adverse impacts on ecosystems and human health. How success is measured and evaluated: Arçelik aims to increase the water recycling and reuse ratio to 70% by 2030. Success in achieving this goal is monitored through the established measurement of water parameters, with compliance checked against legal discharge limits to protect ecosystems, human health, and biodiversity. Periodic assessments of treated wastewater discharges to municipal sewage lines ensure that standards are maintained, with all analyses conducted by third-party laboratories, enhancing accountability and transparency in our water management practices.

Row 4

(2.5.1.1) Water pollutant category

Select from:

☑ Other physical pollutants

(2.5.1.2) Description of water pollutant and potential impacts

In the environment, the discharge of wastewater with elevated TSS levels can result in water pollution and negatively impact aquatic ecosystems. When wastewater containing high TSS is released into water bodies without proper treatment, it can lead to sedimentation and the smothering of aquatic habitats. The suspended solids can block sunlight penetration, disrupting photosynthesis for aquatic plants and reducing oxygen levels. This can harm fish and other aquatic organisms, leading to a decline in biodiversity and potentially causing ecosystem imbalances. The suspended solids can carry nutrients, metals, organic compounds, and pathogens, which can have long-lasting effects on water resources. Nutrient enrichment from TSS promotes harmful algal blooms and eutrophication, depleting oxygen and degrading ecosystems. In terms of human health, exposure to wastewater with high TSS levels can have adverse effects. Contact with or consumption of contaminated water can lead to waterborne diseases. Inhalation of aerosols generated from wastewater with high TSS levels during activities like irrigation or recreational water use can also result in respiratory problems and irritation. The main sources of these pollutants are industrial processes (surface treatments and painting) and domestic wastewater. Arçelik monitors the parameters specified herein following internal and legal regulations. Non-compliances with the legal framework may result in punitive sanction and reputation loss.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

How procedures selected manage risks of the potential impacts outlined: Arçelik has established a water management guideline covering water, wastewater, and recycled water to adopt a global approach. The guideline identifies and classifies potential water pollutants associated with our activities, categorizing facilities into two types: i) those producing domestic wastewater and ii) those producing industrial or mixed wastewater. For domestic wastewater facilities, we monitor five parameters, while for industrial facilities, we track 22 parameters, including COD, TSS, Nitrites, and Heavy Metals. The commitment to measure these parameters through third-party laboratories ensures diligence, even beyond local regulations. Additionally, Arçelik defined minimum physical requirements, control parameters, and internal limits for recycled water to mitigate adverse impacts on ecosystems and human health. How success is measured and evaluated: Arçelik aims to increase the water recycling and reuse ratio to 70% by 2030. Success in achieving this goal is monitored through the established measurement of water parameters, with compliance checked against legal discharge limits to protect ecosystems, human health, and biodiversity. Periodic assessments of treated wastewater discharges to municipal sewage lines ensure that standards are maintained, with all analyses conducted by third-party laboratories, enhancing accountability and transparency in our water management practices.

Row 5

(2.5.1.1) Water pollutant category

Select from:

☑ Oil

(2.5.1.2) Description of water pollutant and potential impacts

Oil and Grease parameters are described as oil pollutants. In the environment, oil and grease can create a range of harmful effects. When released into water sources, they form a film on the water surface, preventing oxygen exchange and sunlight penetration. This can lead to oxygen depletion, harming aquatic organisms and disrupting the balance of ecosystems. The coating of oil on plants and the surfaces of rocks and soil can hinder their natural processes, negatively affecting flora and fauna. The main source of the pollutant parameters mentioned here are industrial processes (surface treatments and painting) and domestic wastewater. Additionally, oil spills and leaks during transportation or industrial accidents can contaminate water bodies, causing extensive damage to marine life and coastal ecosystems and even impacting shorelines and habitats. Human health is also at risk from exposure to oil and grease. Consumption of contaminated water or seafood affected by oil spills can lead to various health issues. Chemical compounds present in oil and grease, such as polycyclic aromatic hydrocarbons (PAHs), are known to be toxic and can cause respiratory problems, skin irritation, and long-term health effects, including an increased risk of cancer. Additionally, Arçelik monitors the parameters specified herein in accordance with both internal and legal regulations. Non-compliances with the legal framework may result in both punitive sanctions and reputation loss.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Water recycling

☑ Beyond compliance with regulatory requirements

☑ Implementation of integrated solid waste management systems

☑ Industrial and chemical accidents prevention, preparedness, and response

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

(2.5.1.5) Please explain

How procedures selected manage risks of the potential impacts outlined: Arçelik has established a water management guideline covering water, wastewater, and recycled water to adopt a global approach. The guideline identifies and classifies potential water pollutants associated with our activities, categorizing facilities into two types: i) those producing domestic wastewater and ii) those producing industrial or mixed wastewater. For domestic wastewater facilities, we monitor five parameters, while for industrial facilities, we track 22 parameters, including COD, TSS, Nitrites, and Heavy Metals. The commitment to measure these parameters through third-party laboratories ensures diligence, even beyond local regulations. Additionally, Arçelik defined minimum physical requirements, control parameters, and internal limits for recycled water to mitigate adverse impacts on ecosystems and human health. How success is measured and evaluated: Arçelik aims to increase the water recycling and reuse ratio to 70% by 2030. Success in achieving this goal is monitored through the established measurement of water parameters, with compliance checked against legal discharge limits to protect ecosystems, human health, and biodiversity. Periodic assessments of treated wastewater discharges to municipal sewage lines ensure that standards are maintained, with all analyses conducted by third-party laboratories, enhancing accountability and transparency in our water management practices.

Row 6

(2.5.1.1) Water pollutant category

Select from:

☑ Pathogens

(2.5.1.2) Description of water pollutant and potential impacts

Coliform, E.coli, Enterococci and Clostridium perfringens (including spoers) parameters described as pathogen pollutants. The main source of the parameters mentioned here is industrial process (surface treatments and painting) and wastewater. Use of recycled industrial water contaminated with pathogens can have direct implications for human health. Contact with or consumption of water containing pathogenic microorganisms can lead to waterborne diseases. Common waterborne pathogens include Escherichia coli (E. coli), Coliform, Enterococci and Clostridium perfringens (including spoers), among others. These pathogens can cause gastrointestinal infections, diarrhea, vomiting, and other related illnesses, particularly in vulnerable populations such as children, the elderly, and those with weakened immune systems. Additionally, Arçelik monitors the parameters specified herein in accordance with both internal and legal regulations. Non-compliances with the legal framework may result in both punitive sanctions and the potential for reputational loss.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Water recycling

(2.5.1.5) Please explain

How procedures selected manage risks of the potential impacts outlined: Arçelik has established a water management guideline covering water, wastewater, and recycled water to adopt a global approach. The guideline identifies and classifies potential water pollutants associated with our activities, categorizing facilities into two types: i) those producing domestic wastewater and ii) those producing industrial or mixed wastewater. For domestic wastewater facilities, we monitor five parameters, while for industrial facilities, we track 22 parameters, including COD, TSS, Nitrites, and Heavy Metals. The commitment to measure these parameters through third-party laboratories ensures diligence, even beyond local regulations. Additionally, Arçelik defined minimum physical requirements, control parameters, and internal limits for recycled water to mitigate adverse impacts on ecosystems and human health. How success is measured and evaluated: Arçelik aims to increase the water recycling and reuse ratio to 70% by 2030. Success in achieving this goal is monitored through the established measurement of water parameters, with compliance checked against legal discharge limits to protect ecosystems, human health, and biodiversity. Periodic assessments of treated wastewater discharges to municipal sewage lines ensure that standards are maintained, with all analyses conducted by third-party laboratories, enhancing accountability and transparency in our water management practices.

Row 7

(2.5.1.1) Water pollutant category

Select from:

☑ Nitrates

(2.5.1.2) Description of water pollutant and potential impacts

In the environment, excessive levels of nitrates in water can lead to a process called eutrophication. The main source of the pollutant parameters mentioned here is industrial process (surface treatments and painting) and domestic wastewater. When nitrates enter freshwater ecosystems, such as rivers, lakes, and ponds, they act as nutrients and promote the rapid growth of algae and aquatic plants. This excessive growth depletes oxygen levels in the water, creating "dead zones" where other organisms struggle to survive. Eutrophication can lead to the degradation of aquatic habitats, loss of biodiversity, and even the collapse of fisheries. Moreover, nitrates can infiltrate groundwater, which is a vital source of drinking water for many communities. High levels of nitrates in drinking water can pose serious health risks to humans. Infants below the age of six months are particularly vulnerable to a condition called methemoglobinemia, or "blue baby syndrome," which impairs the ability of blood to carry oxygen. Long-term exposure to high nitrate levels has also been associated with an increased risk of certain cancers, such as stomach and bladder cancer. Additionally, nitrates can react with other compounds in water to form nitrosamines, which are known to be carcinogenic. Additionally, Arçelik monitors the parameters specified herein in accordance with internal and legal regulations. Non-compliances with the legal framework may result in punitive sanctions and reputational loss.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

How procedures selected manage risks of the potential impacts outlined: Arçelik has established a water management guideline covering water, wastewater, and recycled water to adopt a global approach. The guideline identifies and classifies potential water pollutants associated with our activities, categorizing facilities into two types: i) those producing domestic wastewater and ii) those producing industrial or mixed wastewater. For domestic wastewater facilities, we monitor five parameters, while for industrial facilities, we track 22 parameters, including COD, TSS, Nitrites, and Heavy Metals. The commitment to measure these parameters through third-party laboratories ensures diligence, even beyond local regulations. Additionally, Arçelik defined minimum physical requirements, control parameters, and internal limits for recycled water to mitigate adverse impacts on ecosystems and human health. How success is measured and evaluated: Arçelik aims to increase the water recycling and reuse ratio to 70% by 2030. Success in achieving this goal is monitored through the established measurement of water parameters, with compliance checked against legal discharge limits to protect ecosystems, human health, and biodiversity. Periodic assessments of treated wastewater

discharges to municipal sewage lines ensure that standards are maintained, with all analyses conducted by third-party laboratories, enhancing accountability and transparency in our water management practices.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental risks identified
Climate change	*Select from:* ☑ Yes, both in direct operations and upstream/downstream value chain
Water	*Select from:* ☑ Yes, both in direct operations and upstream/downstream value chain
Plastics	*Select from:* ☑ Yes, both in direct operations and upstream/downstream value chain

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to international law and bilateral agreements

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Romania

(3.1.1.9) Organization-specific description of risk

Regulation on the EU Carbon Border Adjustment Mechanism (CBAM) entered into force in 2023 and will take effect with a transition period until the end of 2025. In this context, importers of certain emission-intensive inputs to the EU will have obligations to report on imported goods, embedded and indirect emissions. Arçelik has a washing machine and a refrigerator production facility in Romania under the operations of its subsidiary named as Arctic. A certain percentage of the steel used in production is imported from outside of the EU. Arctic, as an importer (reporting declarant) will have an obligation to report the volume and the embedded emissions on the imported steel in the transition phase. From 2026 onwards, CBAM certificates will need to be purchased over the respective EU ETS price.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The potential cost up per product in case CBAM is applied after the reduction of free allowances and estimated decrease in GHG emissions is multiplied by the estimated productions in 2026 for Arctic production plants.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

140634719

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

171205512

(3.1.1.25) Explanation of financial effect figure

Please note that there are several assumptions behind the calculation which might be subject to change based on the formal adoption of the CBAM Delegated Acts concerning operational phase and possible revision of the scope of CBAM until 2026. The potential price of CBAM certificate is calculated by assuming a 97.5% free allowance in 2026 as indicated in the CBAM regulation (free allowances will be decreased by %2.5) over the embedded emissions from imported steel. It is also assumed that steel producers will take measures to decrease emissions in production. According to Eurofer's (European Steel Association) estimation, a 15% GHG emission reduction will be planned to be applied in 2026 over the current embedded emissions. For assuming the EU ETS prices for 2026, in the study called "The EU-ETS price through 2030 and beyond: A closer look at drivers, models and assumptions" organized by Ariadne Project was used. Thus, the carbon prices for 2026 was assumed to be 81.08 EUR/ton at minimum (according to ICIS Agent-Based Carbon Model) and 99 EUR/ton at maximum (according to LIMES-EU Model) Finally, the potential cost up per product in case CBAM is applied after the reduction of free allowances and estimated decrease in GHG emissions is multiplied by the estimated number of washing machine and refrigerator quantities of production in Arctic (Romania) production plants.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Greater compliance with regulatory requirements

(3.1.1.27) Cost of response to risk

226448480

(3.1.1.28) Explanation of cost calculation

We have assumed the price per ton for regular flat steel and green steel for 2026. We have used an approach based on the sectoral estimations considering current data provided by World Steel Association for the forecasted price of regular flat steel and the Report prepared by ReThink Energy for the forecasted price of the green steel in 2026. We have multiplied the estimated steel consumption in 2026 for Arctic washing machines and refrigerators by the difference between the estimated global green steel price and the regular flat steel price in 2026.

(3.1.1.29) Description of response

It is highly likely that with the revision of EU ETS (decrease of emissions caps and gradual phase out of free allowances) and implementation of CBAM both EU and non-EU steel producers will need to implement measures to decrease their GHG emissions and improve their production methodologies with new technologies. Hence, we have taken into account a scenario based on estimated global steel prices of both green and regular flat steel products and we have estimated our cost increase according to the volume of necessary steel inputs for our production in 2026. It is also highly likely that efforts to make the steel production greener will result in cost increases.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Pakistan

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify :Hob / Porali

(3.1.1.9) Organization-specific description of risk

In a potential scenario where, global warming cannot be reduced to "Well below 2C" and eventually to "1.5C", companies will face financial and operational risks arising from physical risks in relation to excessive global warming. Consultancy provided by S&P used TruCost Methodology at an asset level, taking into consideration climate hazard indicators such as water stress, flood, heat waves, cold waves, hurricane, and sea-level rise for Arçelik and its significant suppliers. The Low, Moderate, and High RCPs were considered with a forecast for the 2030 and 2050 fiscal years from a 2020 baseline. According to the assessment, Arçelik's overall physical risk score is moderate, the main risk being water stress with certain production sites (in Türkiye, Thailand, Russia, and Romania) prone to high water stress risk. Arçelik also carries out internal water risks assessment at global sites annually using WRI Aqueduct Water Risk Atlas. Based on Arçelik's water risk calculations certain plants (in Tükriye, China, Thailand, Pakistan, Bangladesh, and India) will face extremely high water stress. Although it is more likely than not, the potential contribution loss as a result of not being able to produce products due to water shortages is considered.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Disruption in production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Arçelik considers various RCP scenarios to assess the risks it might face due to the water stress in the future and explores the water stress levels for all its production locations for the year 2030. All of Arcelik's plants are evaluated based on this scenario and the plants that pose a significant risk that will have substantive effect on the business are determined based on the following criteria: 1) Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas 2) Plants located in a basin that Water stress (Water demand/ Water supply) is above %100 3) Plants that have a water withdrawal volume higher than 2.5% of Arçelik total water withdrawal volume.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

274911817

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

329894180

(3.1.1.25) Explanation of financial effect figure

*Please note that the figure indicated here is based on High, Medium, and Low global warming assumptions and are prone to change based on changing circumstances on global warming and Arçelik reserves the right to revise calculations if needed. We have used the risk factors from the RCP global warming scenarios for the possible production losses. All of Arcelik's plants are evaluated based on this scenario and the plants that pose a significant risk that will have substantive effect on the business are determined based on the following criteria: 1) Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas 2) Plants located in a basin that Water stress (Water demand/ Water supply) is above %100 3) Plants that have a water withdrawal volume higher than 2.5% of Arçelik total water withdrawal volume. As a result, we determined that only 1 of Arçelik's facilities can be deemed as bearing a water stress risk with the potential to have a substantive financial or strategic impact on our business. This plant, which is Dawlance (Pakistan), is analyzed in terms of its estimated production units, costs and the potential production disruptions due to water stress for the year 2030. The financial impact is calculated by taking into account the loss of gross profit per product and the potential production loss due to lack of water that is required for production. Arçelik took into consideration of the seasonality factor on water stress and calculated a minimum and maximum value for production loss based on possible different scenarios where the effect of seasonality differs where the minimum risk scenario represents a relatively shorter water shortage and maximum risk scenario represents a water shortage throughout summer season. Thus, the calculated potential financial impact figure (Potential units of production loss based on seasonality) * (Loss of gross profit per unit)*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

18985645

(3.1.1.28) Explanation of cost calculation

In order to minimize the risk of production loss due to water stress, Arçelik makes investments to increase water recycling and reuse, and to reduce water withdrawal. In line with this, the cost of response to risk is the amount equal to the sustainable water management expenditures made in 2023.

(3.1.1.29) Description of response

We work to identify water risks and invest to increase water recycling and reuse, and to reduce water withdrawal. In 2023, we saved a total of 288,973 m3 of water, thanks to water efficiency and rainwater harvesting projects carried out at various locations. Some of our key projects include recycling and reusing wastewater, recovering and reusing the effluent water of a biological wastewater treatment facility, harvesting rainwater and projects that allow reduction in water consumption. We also have organization-wide publicly available targets to reduce water consumption per product in production by 45% in 2030 compared to 2021 baseline. Additionally, as a response to the water stress risk from physical risks scenarios carried out, we have set a 70% water recycling target in global manufacturing operations.

Plastics

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to regulation of existing products and services

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Australia

☑ France

☑ Italy

☑ Spain

☑ United Kingdom of Great Britain and Northern Ireland

(3.1.1.9) Organization-specific description of risk

According to the 2024 Circularity Gap Report, the global circularity rate to 7.2%. This setback and the understanding that the waste generated is of economic value urges policymakers to act, especially in terms of packaging. There is also an increasing demand from customers for products that use recycled materials and packaging. These bear certain business risks: • Regulatory obstacles to recycled plastic waste imports and industrial symbiosis practices in Türkiye • In the UK, plastic packaging with less than 30% recycled content is subject to a 210.82 GBP tax per tonne. In Spain, non-reusable plastic packaging has a fee of 450 EUR per tonne and a similar regulation will go into effect in Italy, • EPS ban is expected to start in France and Australia by 2026, • Regulations prohibiting the import of recycled plastic and industrial symbiosis in the countries where our production volume is high such as Türkiye, • Rising costs due to upcoming regulations and

introduction of potential taxes, fluctuating recycled plastic raw material price, quality, durability • Scarcity of plastic recycling infrastructure in countries where Arçelik operates • Introduction of regulations on producers of washing machines related to microplastic filters in France as of 2025 • Feasibility studies on the mandatory requirement of having a microfiber filter in washing machines, California to impose integrating a filter system in all washing machines and laundromats.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased compliance costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

With the rising standards and strengthening regulations regarding plastic, especially in packaging, certain plastic tax applications are entering into force. This might bring Arçelik additional costs on the products sold within the boundaries of these jurisdictions. As an alternative, Arçelik puts effort to remove or minimize plastic content from the packaging material it uses. Even though this would allow Arçelik to face the burden of additional costs emerging from taxes, it brings R&D and transition expenses in order to be in compliance with the regulations. At other cases, where there is a ban on plastic rather than a tax, Arçelik faces the risk of not being able to sell some of its products in certain countries. In order to avoid this outcome, Arçelik puts efforts to be in full compliance with the upcoming regulations.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase investment in R&D

(3.1.1.29) Description of response

Arçelik produces some of the most innovative products in the market which aim to find solutions to plastic pollution. Arçelik R&D develops high-performance and eco-friendly recycled plastic formulations to replace their virgin counterparts without sacrificing the durability of the products. Arçelik's holistic approach takes almost all the plastics in the company's products into consideration to maximize the plastic recycled content. A total of 16,543 tonnes recycled plastics and 30 tonnes bio-composite plastics was used in 2023. Arçelik is expanding the company's recycled plastics studies to include chemical recycling studies and is cooperating with some of the most reputable partners in this area. Arçelik is also exploring opportunities to use recycled materials from Arçelik's own WEEE recycling facilities in products to close the loop in production. The company is developing formulas to use packaging waste and turn it into a component to be used in Arçelik's products. A working group involving all factories and the central R&D has been established to switch to sustainable packaging alternatives and to mainly end the EPS consumption in packaging. We have launched Beko brand of major domestic appliances line-up with EPS-free packaging in IFA 2022. This line-up includes dryer, dishwasher, refrigerator, hob, oven, and washing machine products. In order to make the widespread initiation of this, we continued to work to it to all product ranges throughout 2023.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Uncertainty in market signals

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Italy
☑ Malta
☑ Spain
☑ Cyprus
☑ France
☑ Belgium
☑ Croatia
☑ Czechia
☑ Denmark
☑ Estonia
☑ Bulgaria
☑ Portugal
☑ Slovakia
☑ Slovenia
☑ Lithuania
☑ Greece
☑ Latvia
☑ Poland
☑ Sweden
☑ Austria
☑ Finland
☑ Germany
☑ Hungary
☑ Ireland
☑ Romania
☑ Luxembourg
☑ Netherlands
☑ United Kingdom of Great Britain and Northern Ireland

(3.1.1.9) Organization-specific description of risk

Arçelik committed to being a Net Zero company in 2050 according to the Science Based Targets Net Zero Standard and set a 1,5-aligned target with 2022 base year and expanded the scope to include all joint ventures. Considering that 80% of Arçelik's Scope 3 emissions are stemming from the energy consumed during the use phase of the appliances sold, producing resource-efficient products is critical in order to meet the SBTs. To keep on track with the SBT commitment, Arçelik will have to invest heavily in R&D to produce the appliances more efficiently, which is very highly likely to result in increased cost per product. However, this cost up that emerged might not be able to reflected to products since the prices may become above the market and the consumer might not be willing to spend more on these products. This is a global risk that expands to all geographies where Arçelik makes sales. However for the time being, Arçelik calculated this risk for the European region.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Potential impact is calculated based on the scenario where Arçelik faces cost up per product in order to meet its SBTs while average market prices wouldn't increase in the same trend due to lack of ambitious efforts to produce resource efficient products of other producers. In this case, the sales prices in the market won't increase and the risk for Arçelik to lose profitability will arise due to its increasing costs and not being able to reflect this cost on prices of products. Arçelik makes this calculation by estimating the cost up per product required for carrying a product to the next upper-level energy class. In order to do this, Arçelik works on possible scenarios where it considers the cost up for each energy level transition for the selected products for the upcoming 5 years (2024-2029) based on current and upcoming technologies, planned production improvements and market forecasts and calculates a minimum and a maximum value for different cost up per product based on different scenarios. This calculation is made based on EU market and for selected product groups.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

802660843

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

891845381

(3.1.1.25) Explanation of financial effect figure

*Please note that the potential risk figure is calculated based on a variety of assumptions which are subject to change as the market dynamics change. Arçelik reserves the right to revise the figures if needed. The potential additional cost figure has been calculated based on the assumption that there will be a difference in terms of the % of energy efficient appliances put on the market by Arçelik and by its competitors and Arçelik will have to exceed the market average and put more energy efficient appliances on the market despite the cost up per product in order to meet its Science Based Targets (SBTs). If the competitors do not put as ambitious products in the market as Arçelik, the sales prices in the market will not increase and Arçelik might not be able to reflect the cost increases per product into the price of sale. The market dynamics and how the market will evolve will play a crucial role to understand the potential risk going forward. The figure is a cumulative figure for selected product groups for the years between 2024-2029. Potential increased costs: Number of products with higher efficiency levels exceeding market average * cost up per product* number of products expected to be sold in the specific year. Please note that cost up per product differs for minimum and maximum risk values considering the technology can change on the way to 2029 which will decrease the cost up per product for energy efficiency transformation.*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase investment in R&D

(3.1.1.27) Cost of response to risk

713896455

(3.1.1.28) Explanation of cost calculation

The total cost of the response to risk is a sum of Beko brand marketing expenses and the cost of R&D expenditures for the selected products for this risk calculation in 2023 fiscal year.

(3.1.1.29) Description of response

Arçelik invests heavily in R&D to produce energy efficient appliances with a lower cost. Increasing investments to innovate for energy efficient appliances via green financing also provides an opportunity to finance these investments in a cost-effective manner. Arçelik's energy efficient appliance R&D costs are financed within its EUR 350M green bond issued in international markets and the EUR 150M green loan from EBRD. In addition, Arçelik sets sustainability awareness targets for its brand managers to increase the sustainability index score of its major global brands Arçelik, Beko and Grundig. The user awareness campaigns such as Beko Shed That Carbon campaign which aims to inform consumers on how they can reduce their carbon footprint is an example of a responsible marketing strategy.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ China
☑ India
☑ Turkey
☑ Romania
☑ Pakistan
☑ Thailand
☑ Bangladesh
☑ South Africa
☑ Russian Federation

(3.1.1.9) Organization-specific description of risk

Currently, we do not have any obligations under any carbon pricing mechanism, as there are no carbon pricing mechanisms in place in the countries we operate in for our industry. On the other hand, increasing decarbonization efforts accelerate the use of these mechanisms. For example, a market-based carbon pricing mechanism is being planned in Turkey. If we get involved in such mechanisms, the additional cost that we face might create a disadvantage for our cost-competitiveness. In order to be ready for such regulations and minimize the potential financial burden we might face in the future; we take action to reduce our Scope 1-2 GHG emissions globally. In line with our Net Zero Target, which is at approval stage at Science Based Targets Initiative, we aim to decrease our Scope 1-2 and Scope 3 use phase emissions by 42% by 2030 from the 2022 base year. We outlined a detailed roadmap to reach this goal which includes renewable energy investments, implementing energy efficiency projects and purchasing green electricity certificates. Dedicated in-house teams monitor the development regarding these targets and organize and

take necessary actions. Even though the trends regarding ETS mechanism signal that a regulation for household appliances is not likely in the near future, Arçelik calculates its possible ETS-related risk based on the unlikely scenario that it will be subject to a regulation in 2030 in order to prepare in advance.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Unlikely

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In an unlikely scenario where Arçelik will become subject to an ETS system where all its Scope 1-2 emissions will face carbon tax in all operation geographies in 2030, this would bring an additional indirect cost of operation for Arçelik.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

183596289

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

263724618

(3.1.1.25) Explanation of financial effect figure

*Please note that the potential risk figure is calculated based on a variety of assumptions which are subject to change as the market dynamics change. Arçelik reserves the right to revise the figures if needed. Financial impacts are calculated according to an unlikely scenario of Arçelik being subject to ETS mechanism in 2030 for all of its operations. Arcelik's estimated Scope 1- 2 emissions for the year 2030 is 85,761 tCO2e considering green electricity, renewable energy and energy efficiency efforts. Please note that this figure is calculated with all planned emission reduction initiatives as opposed to a business-as-usual scenario where emissions would be much higher. The carbon tax that Arçelik would face in 2030 is estimated to be 83.54/ton at minimum and 120/ton at maximum based on the study called "The EU-ETS price through 2030 and beyond: A closer look at drivers, models and assumptions" organized by Ariadne Project, ICIS Agent-Based Carbon Model and according to LIMES-EU Model. Thus, the potential financial impact figure (Scope 1-2 emissions in 2030) * (2030 Carbon Tax per tonnes).*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

2722781796

(3.1.1.28) Explanation of cost calculation

Arçelik invests in green electricity certificates, energy efficiency projects and renewable energy in order to decrease its Scope 1-2 emissions and minimize its risk. The cost of response to risk is calculated as the total investment until 2030. Arçelik plans to invest a total of 2,722,781,803 TRY in green electricity certificates, energy efficiency projects and renewable energy projects until 2030. This equals to the total cost of response to risk is.

(3.1.1.29) Description of response

In order to minimize this risk, Arçelik aims to decrease its Scope 1-2 GHG emissions in line with its Net Zero targets. Dedicated sustainability teams, together with responsible from R&D and production facilities, work towards these goal with the oversight of Arçelik Sustainability Council which is led by the CFO. Arçelik takes proactive action against this risk by investing in decarbonization already by now and monitoring the improvements. Thus, Arçelik has outlined a detailed roadmap to

minimize its Scope 1-2 emissions which includes purchasing green electricity certificates, implementing energy-efficiency projects and making renewable energy investments. These represent an increase in environment-related capital expenditure as a response to the carbon pricing risk.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Other, please specify **:**None of Arçelik's financial metrics were significantly vulnerable to the effects of climate change

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

Arçelik closely monitors any upcoming climate risks and takes proactive actions in order to maximize its adaptability to significant impacts. Thus, in the reporting year, none of Arçelik's financial metrics were materially vulnerable to the effects of climate change regarding physical or transition risks. For future likely and unlikely risks, please see the answer provided to question 3.1.1.

Water

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :None of Arçelik's financial metrics were significantly vulnerable to the effects of water risks

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

Arçelik closely monitors any upcoming water risks and takes proactive actions in order to maximize its adaptability to significant impacts. Thus, in the reporting year, none of Arçelik's financial metrics were materially vulnerable to the effects of water-related hazards regarding physical or transition risks. For future likely and unlikely risks, please see the answer provided to question 3.1.1.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Pakistan

☑ Other, please specify :Pakistan Arabian Sea (296)

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ Less than 1%

(3.2.11) Please explain

Our ERM system evaluates and manages both financial and non-financial risks through scenario analysis and testing, aligning with IFRS ISSB standards which encompasses TCFD reporting. We monitor, measure, and manage ESG risks and their financial impacts using Trucost analysis, which is embedded in our financial risk reporting. We apply alternative scenarios like IEA STEPS, Sustainable Development Scenario (SDS), and Net Zero 2050, focusing on physical risks at the asset and supplier levels. Climate hazard indicators—such as water stress, floods, and rising sea levels—are considered, with forecasts for 2030 and 2050 based on RCP scenarios (RCP8.5, RCP4.5, RCP2.6). Water stress has been identified as the primary risk for Arçelik and its suppliers. Extensive water stress testing, leveraging WRI Aqueduct Water Risk Atlas, has been conducted, and results are reviewed annually. In line with this, we verify our water withdrawal since 2017 through an independent body, ensuring sufficient quality freshwater is available for our direct and indirect use. In order to identify the financial impact, Arçelik uses a screening process as follows regarding water stress where the following criteria is considered: 1) Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas 2) Plants located in a basin that Water stress (Water demand/ Water supply) is above %100 3) Plants that have a water withdrawal volume higher than 2,5% of Arçelik total water withdrawal volume. As a result, we determined that only 1 of Arçelik's facilities can be deemed as bearing a water stress risk with the potential to have a substantive financial or strategic impact on our business. This plant is Arçelik's Dawlance plant in Pakistan, which is likely to face %200 water stress in 2030 and is significant to Arçelik's business since it has more than 2.5% water withdrawal
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: ☑ No	*Arçelik was not subjected to any fines, enforcement orders, and/or other penalties for water-related regulatory violations*

[Fixed row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☑ Increased availability of products with reduced environmental impact [other than certified products]

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☑ Fiji
- ☑ Iraq
- ☑ Oman
- ☑ Chile
- ☑ China
- ☑ Japan
- ☑ Libya
- ☑ Malta
- ☑ Nepal
- ☑ Qatar
- ☑ Canada
- ☑ France
- ☑ Gambia
- ☑ Greece
- ☑ Guinea
- ☑ Mexico
- ☑ Norway
- ☑ Poland
- ☑ Serbia
- ☑ Sweden
- ☑ Andorra
- ☑ Armenia
- ☑ Austria
- ☑ Bahrain
- ☑ Belarus
- ☑ Finland
- ☑ Georgia
- ☑ Egypt
- ☑ Gabon
- ☑ Ghana
- ☑ India
- ☑ Italy
- ☑ Spain
- ☑ Sudan
- ☑ Yemen
- ☑ Angola
- ☑ Brazil
- ☑ Israel
- ☑ Jordan
- ☑ Kuwait
- ☑ Latvia
- ☑ Malawi
- ☑ Turkey
- ☑ Uganda
- ☑ Zambia
- ☑ Albania
- ☑ Algeria
- ☑ Belgium
- ☑ Croatia
- ☑ Czechia
- ☑ Denmark
- ☑ Estonia
- ☑ Ireland
- ☑ Lebanon

☑ Germany
☑ Hungary
☑ Iceland
☑ Namibia
☑ Nigeria
☑ Réunion
☑ Romania
☑ Senegal
☑ Cambodia
☑ Cameroon
☑ Colombia
☑ Ethiopia
☑ Malaysia
☑ Slovakia
☑ Slovenia
☑ Thailand
☑ Viet Nam
☑ Zimbabwe
☑ Singapore
☑ Sri Lanka
☑ Azerbaijan
☑ Bangladesh
☑ Kyrgyzstan
☑ Mozambique
☑ Seychelles
☑ Tajikistan
☑ Uzbekistan
☑ Afghanistan
☑ South Africa
☑ Turkmenistan
☑ Lesotho
☑ Morocco
☑ Myanmar
☑ Tunisia
☑ Ukraine
☑ Uruguay
☑ Botswana
☑ Bulgaria
☑ Maldives
☑ Mongolia
☑ Pakistan
☑ Paraguay
☑ Portugal
☑ Australia
☑ Guatemala
☑ Indonesia
☑ Lithuania
☑ Mauritius
☑ Luxembourg
☑ Madagascar
☑ Martinique
☑ Mauritania
☑ Montenegro
☑ Netherlands
☑ New Zealand
☑ Philippines
☑ Switzerland
☑ Saudi Arabia
☑ Russian Federation
☑ Bosnia & Herzegovina

☑ New Caledonia
☑ Taiwan, China
☑ Brunei Darussalam
☑ United Republic of Tanzania
☑ Bolivia (Plurinational State of)
☑ Democratic Republic of the Congo
☑ United Kingdom of Great Britain and Northern Ireland
☑ Hong Kong SAR, China
☑ United Arab Emirates
☑ United States of America

(3.6.1.8) Organization specific description

With the growing importance of climate-related risks, consumers' awareness and sensitivity regarding the low carbon footprint is increasing. This leads consumer to demand and prefer more resource-efficient, climate-friendly products. Since there is already a market demand for energy-efficient household appliances in line with these trends, there is a financial opportunity of increasing sales of these product groups. Arçelik holds an opportunity since it already has a wide energy-efficient product portfolio and is already making energy-efficient product sales to various countries. In 2023, 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. Arçelik also had the opportunity of investing in innovation for energy efficient products with more favorable financing options thanks to green financing.

(3.6.1.9) Primary financial effect of the opportunity

Select from:
☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply
☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:
☑ High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Please note that Arçelik defines energy efficient products as “products which consume less energy than the lowest 'allowable' energy efficiency classes based on the available regulations in the specific countries. "Allowable" refers to the lowest energy class allowed in the market. It was calculated by considering products which have higher energy efficiency than the allowable class on the market.” The revenue from energy-efficient products is an important part of Arçelik’s revenues. In 2023, TRY 129,121,375,268 was generated through the sales of energy-efficient products which corresponds to the 50.2% of Arçelik’s 2023 revenue. Thus, the opportunity to be able to produce energy-efficient products and have a wide energy-efficient product portfolio that has already been penetrated to global markets brings an increase in net sales and this opportunity has already been realized in the past, including the reporting year 2023. This is an important strength for Arçelik’s financial position

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

129121375268

(3.6.1.23) Explanation of financial effect figures

Arçelik is already actively making energy-efficient product sales. In 2023, total turnover generated from energy-efficient products (defined as products which consume less energy than the lowest "allowable" energy efficiency classes based on the available regulations in the specific countries) amounts to TRY 129,121,375,268.

(3.6.1.24) Cost to realize opportunity

796379176

(3.6.1.25) Explanation of cost calculation

The cost to realize opportunity is equal to Arçelik’s 2023 R&D spending for energy efficient products which is equal to TRY 796,379,176.

(3.6.1.26) Strategy to realize opportunity

Our primary focus in a product life cycle is on reducing the overall usage of energy and water in our products, which not only helps our customers save money, but also decreases their environmental impact. Considering that the GHG emissions generated during the use phase of products is a substantial part of our overall GHG emissions, we continuously strive to enhance the performance of our products year by year. On top of this, the consumer demand for energy efficient products is also increasing. We have a wide energy-efficient product portfolio and solutions including but not limited to the following: - A and B Energy Class 60-cm Combi Fridges that consume 67% less energy compared to the F energy class, and B class fridges that consume 59% less. - With the EnergySpin technology, Beko washing machines will save energy up to 35% for daily programs without compromising the washing performance compared to traditional machines. - Wtih AquaTech Technology, up to 30% less energy consumption than A energy limit in washing machines. - Tumble Dryers with EcoGentle Heat Pump Technology consume up to 72% less energy than standard condenser dryers. - Through using innovative heat pump technology, our dishwashers use up to 20% less energy than A energy class limit. - Dishwashers with EcoFocus Technology save up to 25% more energy in all programs. - Split & Cook saves up to 18% energy by using the oven's cooking area more efficiently. In order to be able to realize the opportunity of growing demand for energy-efficient products, Arçelik will need to meet the market demand. For this reason, Arçelik continuously works on energy performance improvements in products via R&D studies. Thus, the strategy to realize the opportunity is to make the best effort to improve the R&D process for the development and improvement of energy efficient products.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Pakistan

☑ Romania

☑ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Danube

☑ Other, please specify **:**Pakistan Minor Basin: Hob/Porali Turkey Basins: Çayırova River, Ergene

(3.6.1.8) Organization specific description

Reducing water use through water efficiency and water recycling projects enables us to minimize water-related risks, provide lower operational costs as well as natural resource consumption decrease.Because of that, this opportunity is considered strategic for Arçelik. In the scope of our risk adaptation plans, we set the target to reduce water withdrawal per product by 45% by 2030 compared to 2015. We have also set our 2030 target to increase the water recycling and reuse ratio (Water recycling and reuse ratioTotal recycled and reused water/Total water withdrawal) to 70% in all manufacturing plants aiming to achieve a closed loop water system in production. For this purpose, Arçelik plants set water targets annually and each plant implements water efficiency and water recycling projects to meet the corporate target in our production plants.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Thanks to the reduced water use through water efficiency and water recycling projects we have lowered our operational costs. In 2023, we saved and recycled a total of 288,973 m3 of water, thanks to water efficiency, water treatment facility investments, recycling and reusing wastewater, and rainwater harvesting projects carried out in our production plants. This led to a decrease in operational expenses of 3,530,335 TRY.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

3530335

(3.6.1.23) Explanation of financial effect figures

Arçelik's operating costs were reduced by 3,530,335 TRY with the water efficiency, water treatment facility investments, recycling and reusing wastewater, and rainwater harvesting projects compared to a business as usual scenario.

(3.6.1.24) Cost to realize opportunity

5073343

(3.6.1.25) Explanation of cost calculation

The cost to realize opportunity is the amount equal to the sustainable water management expenditures made in 2023 at plants where considerable water saving was achieved with initiated projects.

(3.6.1.26) Strategy to realize opportunity

As an industry-leading company, we leverage the latest technologies to decrease our water withdrawal in all our manufacturing facilities and utilize the latest datasets and tools to realize the opportunity to minimize our water consumption and achieve cost savings as well as reduce our environmental footprint. All these efforts are guided by Arçelik's Water Policy, which is an integral part of our Environmental Policy. Through this policy, we commit to reduce water withdrawal, increase water efficiency, recycling, and reuse; minimize water footprint of products, raise environmental awareness and support water stewardship. We set out main strategic targets as: By 2030; • Reduce water withdrawal per product by 45% in all manufacturing facilities from 2015 baseline • Increase the water recycling and reuse ratio to 70% in all manufacturing facilities

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☑ Easier access to cheaper and/or more available credit

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

☑ Romania

☑ Pakistan

☑ Thailand

☑ Bangladesh

☑ South Africa

☑ Russian Federation

(3.6.1.8) Organization specific description

We have issued a green bond with a nominal value of EUR 350 million and a five-year maturity - being almost five times oversubscribed. More than 145 investors have invested in the bond, the coupon rate of which was determined as 3.00%. With this, we finance Eligible Green Projects including energy-efficient, eco-efficient, and circular economy-adapted products and the promotion of energy efficiency in production. The proceeds support the company's investments in energy and water efficient products, energy efficiency in production, sustainable water and wastewater management, pollution control and prevention, renewable energy, and green building initiatives. With EUR 150 million green loan from EBRD, we plan to implement projects to achieve net-zero emissions in the value chain by 2050 through financing environmental Sustainability and R&D projects. The green financing provided to Arçelik shows the investor and financing institutions' confidence in Arçelik to execute its green transformation strategy. Arçelik's ESG claims have been backed by strong third-party credentials such as Dow Jones Sustainability Indices or Corporate Knights. This enabled us to access better financing conditions with a reduced interest rate compared to conventional loans.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased access to capital at lower/more favorable rates

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Thanks to its sustainability strategy, commitments and actions, Arçelik is able to utilize sustainability-linked financing. These financing instruments offer more favourable paying options compared to conventional instruments. Thanks to the EUR 350 million green bond and EUR 150 million green loan that Arçelik has, the interest rate paid was lower compared to a baseline scenario in 2023 reporting year.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

285089250

(3.6.1.23) Explanation of financial effect figures

Green financing options provide lower interest rates compared to conventional credit alternatives to support the green transformation of business. Thus, the calculated financial impact shows the saving of Arçelik in 5 years thanks to using green financing compared to a hypothetical scenario where the total amount of EUR 500 million (EUR 350 million green bond and EUR 150 million green loan) were obtained from conventional financing tools based on average market rates.

(3.6.1.24) Cost to realize opportunity

1621280

(3.6.1.25) Explanation of cost calculation

In order to utilize the lower interest rates provided by sustainability-linked financial instruments, Arçelik needs to provide sufficient information about its green transformation commitments, the related roadmap and the performance against its targets. Thus, Arçelik receives auditing services regarding the use of proceeds linked to its green bond and green loan in order to demonstrate the alignment of its spending to the commitments and targets. The cost to realize opportunity is the total costs of audit services during the processes.

(3.6.1.26) Strategy to realize opportunity

Our sustainable economic growth approach helps us to reinforce Arçelik's ESG credentials and enables us to further strengthen our sustainability agenda. We issued green bonds with a nominal value of EUR 350 million and a five-year maturity in 2021 and we have signed an eight-year loan agreement for EUR 150 million with the European Bank of Reconstruction and Development (EBRD), one of the most important green finance providers in 2021. Also Arçelik's Sustainability-Linked Financing Framework launched in April 2024 is based on its sustainability agenda and goals. The framework includes the Company's 2030 goals for GHG emissions reductions for scope 1&2 and scope 3 from use of sold products, and increase the percentage of women in the total workforce. It has been also developed in line with the Sustainability-Linked Bond Principles (SLBP) issued by the International Capital Market Association (ICMA) in June 2023 and the Sustainability-Linked Loan Principles (SLLP) issued by the Loan Market Association (LMA) in February 2023. Arçelik's focus on sustainable financing instruments in order to support its sustainability strategy is the main focus of realizing the opportunity of accessing better financing options. In order to monitor and report the use of proceeds in line with this to show the financing obtained is distributed appropriately, Arçelik receives third party auditing services.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ China
☑ India
☑ Turkey
☑ Romania
☑ Pakistan
☑ Thailand
☑ Bangladesh
☑ South Africa
☑ Russian Federation

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Other, please specify **:**The use of renewable energy is not connected to any river basins

(3.6.1.8) Organization specific description

With the introduction of ETS mechanisms, reducing scope 1-2 emissions becomes an important leverage in order to minimize the potential risks of carbon tax. With this awareness, Arçelik aims to increase its use of renewable energy in order to reduce the future carbon tax cost. In addition, using its own renewable energy sources will allow Arçelik to reduce the cost of green electricity certificates and make savings from the amount paid to the grid. Arçelik holds an opportunity with its existing renewable energy investment and the plans for the future. In 2023, our green electricity ratio is 64% in our manufacturing operations which is parallel to our target of increasing the green electricity ratio to 100% in all countries where we have production facilities by 2030. While Türkiye and Romania manufacturing facilities purchased 100% green electricity, Arçelik Hitachi Thailand plant met approximately 25% of its annual electricity consumption from a long-term PPA (Power Purchase Agreements) with floating solar PV plant in 2023. With technologies at some of our factories such as photovoltaic, concentrated solar power and a solar wall, we have reached a total of 20.3 MW solar plant capacity as of the end of 2023. These allowed the generation of 44,200 GJ of electricity and prevention of 5,885 tCO2e emissions in 2023.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Arçelik makes renewable energy investments which meets a certain proportion of electricity need from its operations. By 2030, Arçelik aims to increase the renewable energy capacity. This would lead Arçelik to decrease the cost paid to grid which will result in lowered operating costs stemming from electricity purchase. Arçelik also buys green electricity certificates and planned renewable energy investment will allow us to lower the need for these certificates which will also achieve cost saving. On top of this, the emission trading systems and carbon tax mechanisms are expanding. Arçelik might be subject to such regulations and tax payments. Arçelik's existing and planned renewable energy capacity presents an opportunity regarding this as well since the use of renewable energy will reduce Arçelik's emissions which will in turn reduce the carbon tax cost. All the mentioned subjects help decrease the costs of Arçelik and create a positive impact on Arçelik's financial position in the medium term.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

2510191242

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

2787375256

(3.6.1.23) Explanation of financial effect figures

Thanks to Arcelik's renewable energy investments and road plan, Arçelik expects to make savings from the cost paid to grid and green electricity certificate cost for the period 2023-2030. In addition, Arçelik considers the potential scenario to be subject to a carbon tax for the year 2030. The opportunity calculation also includes the savings which will be achieved related to this tax thanks to reduced emissions for 2030. The data for future years is estimated by taking the production projections of Arçelik and changing costs of grid, green electricity certificates and carbon tax per tCO2e according to market trends.

(3.6.1.24) Cost to realize opportunity

1615385265

(3.6.1.25) Explanation of cost calculation

In order to seize the opportunity of cost saving from grid payment, green electricity certificates and carbon tax, Arçelik needs to realize the planned renewable energy investments. For the time period 2023-2026, Arçelik plans to invest above EUR 63,036,965 (1,615,385,265 TRY) in renewable energy projects.

(3.6.1.26) Strategy to realize opportunity

Arçelik holds an opportunity since it has a plan to achieve the 2030 target to reach 50 MW renewable energy capacity before deadline and starting to work towards surpassing 100 MW capacity by 2050. Arçelik also has a target of increasing the green electricity ratio to 100% in all production countries by 2030. Arçelik also commits to make a minimum USD 50 million investment in renewable energy and energy efficiency by 2030.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

129121375268

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 51-60%

(3.6.2.4) Explanation of financial figures

With the growing importance of climate-related risks, consumers' awareness and sensitivity regarding the low carbon footprint is increasing. This leads consumer to demand and prefer more energy-efficient household products and creates a financial opportunity of increasing sales of these product groups. Thus, there is a market opportunity emerged with the impact of climate change and related consumer behavior. A certain share of Arçelik's revenue is in aligned with this opportunity since Arçelik has a wide energy-efficient product portfolio and is making energy-efficient product sales. This is due to Arçelik's capability of investing in innovation for energy-efficient products with more favorable financing options thanks to green financing. Due to this, Arçelik also has the opportunity of reflecting less additional cost on energy-efficient products. As a result, Arçelik achieved 50.2% of revenue obtained from the sales of energy-efficient products only in 2023. This corresponds to TRY 129,121,375,268 turnover in 2023 from energy-efficient products.

Water

(3.6.2.1) Financial metric

Select from:

☑ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

3530335

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 1-10%

(3.6.2.4) Explanation of financial figures

Reducing water use through water efficiency and water recycling projects enables us to minimize water-related risks, provide lower operational costs as well as natural resource consumption decrease. Because of that, this opportunity is considered strategic for Arçelik. In the scope of our risk adaptation plans, we set the target to reduce water withdrawal per product by 45% by 2030 compared to 2015. We have also set our 2030 target to increase the water recycling and reuse ratio (Water recycling and reuse ratioTotal recycled and reused water/Total water withdrawal) to 70% in all manufacturing plants aiming to achieve a closed loop water system in production. For this purpose, Arçelik plants set water targets annually and each plant implements water efficiency and water recycling projects to meet the corporate targets. In 2023, we saved and recycled a total of 288,973 m3 of water, thanks to water efficiency, water treatment facility investments, recycling and reusing wastewater, and rainwater harvesting projects carried out in our production plants. This accounted for TRY 3,530,335 saving. Considering Arçelik's total OPEX is TRY 63,762 million for 2023, this opportunity corresponds to nearly 5% of Arçelik's total OPEX.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Arçelik Board Diversity Policy aims to ensure the diversity of accumulation of knowledge, experience and opinion to contribute to the effective management of the company's operations, in particular to the fundamental operations of the Board of Directors (BoD). The composition of the BoD should allow members to act in good faith and independently from one another. A variation of age, gender, different social and educational backgrounds, different areas of expertise is strongly valued. In Board member nominations, diversity criteria are taken into consideration in terms of gender, nationality, ethnicity, culture, age, religion with the emphasize that Board member candidates are selected on the basis of possessing skills and experience suitable to execute and lead in line with Arçelik's size, portfolio and culture, while

maintaining characteristics to preserve the interests of all stakeholders. Notwithstanding the above article, in the course of nomination for the BoD, among the candidates with similar characteristics in terms of knowledge, expertise and capability, it is sought to give priority to female candidates to reach at least 25% female Board Member ratio within 5 years in Arçelik BoD. BoD annually reviews the progress attained to reach this target and discloses the results to the public.

(4.1.6) Attach the policy (optional)

arcelik-board-diversity-policy_25521.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Director on board
☑ Chief Executive Officer (CEO)
☑ Chief Financial Officer (CFO)
☑ Chief Sustainability Officer (CSO)
☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply
☑ Board mandate
☑ Other policy applicable to the board, please specify **:**Environmental Policy & Climate Change Strategy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:
☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply
☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding scenario analysis
☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding public policy engagement
☑ Reviewing and guiding innovation/R&D priorities
☑ Approving and/or overseeing employee incentives
☑ Overseeing and guiding major capital expenditures

☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Monitoring supplier compliance with organizational requirements
☑ Monitoring compliance with corporate policies and/or commitments
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

At Board of Director (BoD) level, a Board Member - who is also Koç Holding Consumer Durables' President - has been tasked with reporting the climate-related issues to the BoD. The BoD and responsible Board member are involved in Overseeing the setting of and Monitoring progress towards corporate targets via regular meetings and reports presented by the responsible Board Member including topics such as Arçelik's SBTi target and the related progress. They are also involved in Approving corporate policies and/or commitments, Overseeing and guiding the development of a business strategy, Overseeing and guiding acquisitions, mergers, and divestitures, Overseeing and guiding major capital expenditures, Monitoring the implementation of a climate transition plan. There is a board-level Early Detection of Risk Committee. Sustainability risks are considered during the committee meetings. The Committee is responsible for Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities, Overseeing and guiding scenario analysis. The involved Board members evaluate trade-offs associated with climate-related risks and opportunities. At Arçelik, there is a Sustainability Council which gathers quarterly with the C-level executive team serving as inherent members. The CFO is the chair. Together with other C-level, CEO, CSO and CFO are involved in Overseeing and guiding scenario analysis, Overseeing the setting of corporate targets, Monitoring progress towards corporate targets, Reviewing and guiding innovation/R&D priorities, Monitoring compliance with corporate policies and/or commitments, Overseeing and guiding the development of a climate transition plan, Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities. CFO is also responsible for Overseeing and guiding major capital expenditures and Overseeing reporting, audit, and verification processes. In addition, being a member of the Corporate Governance Committee, the CFO is involved in the process of Approving and/or overseeing employee incentives along with other Board members in the Committe. The CSO is also responsible for Overseeing and guiding public policy engagement for Arçelik regarding sustainability-related issues. The CSO is also involved in Monitoring supplier compliance with organizational requirements. Main topics discussed at Sustainability Committee meetings in 2023 were Arçelik's new 2050 SBT and related roadmap, suppliers' sustainability development and possible initiatives, updates on voluntary carbon market, emerging sustainable packaging regulations, implications of CBAM, sustainability reporting and disclosure requirements and updates, analysis of performance on sustainability indices. CEO, CFO and CSO, along with other members actively took part in the decisions made regarding these topics. These decisions are overviewed, evaluated and approved with the active involvement of the Board via the responsible Member.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Director on board
☑ Chief Executive Officer (CEO)

☑ Chief Financial Officer (CFO)
☑ Chief Sustainability Officer (CSO)
☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply
☑ Board mandate
☑ Other policy applicable to the board, please specify **:**Water Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:
☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply
☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding scenario analysis
☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding public policy engagement
☑ Reviewing and guiding innovation/R&D priorities
☑ Approving and/or overseeing employee incentives
☑ Overseeing and guiding major capital expenditures

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

At Board of Director (BoD) level, a Board Member - who is also Koç Holding Consumer Durables' President - has been tasked with reporting the climate-related issues (including water) to the BoD. The BoD and responsible Board member are involved in Overseeing the setting of and Monitoring progress towards corporate targets via regular meetings and reports presented by the responsible Board Member including topics such as water stress Arçelik faces and the related roadmap. They are also involved in Approving corporate policies and/or commitments, Overseeing and guiding the development of a business strategy, Overseeing and guiding acquisitions, mergers, and divestitures, Overseeing and guiding major capital expenditures, Monitoring the implementation of a climate transition plan. There is a board-level Early Detection of Risk Committee. Sustainability risks (including water) are considered during the committee meetings. The Committee is responsible for Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities, Overseeing and guiding scenario analysis. The involved Board members evaluate trade-offs associated with water-related risks and opportunities. At Arçelik, there is a Sustainability Council which gathers quarterly with the C-level executive team serving as inherent members. The CFO is the chair. Together with other C-level, CEO, CSO and CFO are involved in Overseeing and guiding scenario analysis, Overseeing the setting of corporate targets, Monitoring progress towards corporate targets, Reviewing and guiding innovation/R&D priorities, Monitoring compliance with corporate policies and/or commitments, Overseeing and guiding the development of a climate transition plan, Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities. CFO is also responsible for Overseeing and guiding major capital expenditures and Overseeing reporting, audit, and verification processes. In addition, being a member of the Corporate Governance Committee, the CFO is involved in the process of Approving and/or overseeing employee incentives along with other Board members in the Committe.. The CSO is also responsible for Overseeing and guiding public policy engagement for Arçelik regarding sustainability-related issues. The CSO is also involved in Monitoring supplier compliance with organizational requirements. Main water-related topics discussed at Sustainability Committee meetings in 2023 were water stress and related business risks, possible investments, suppliers' development and possible initiatives, reporting and disclosure requirements and updates, analysis of performance. CEO, CFO and CSO, along with other members actively took part in the decisions made regarding these topics. These decisions are overviewed, evaluated and approved with the active involvement of the Board via the responsible Member.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Director on board

☑ Chief Executive Officer (CEO)

☑ Chief Financial Officer (CFO)

☑ Chief Sustainability Officer (CSO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board mandate

☑ Other policy applicable to the board, please specify **:**Arçelik Biodiversity and No Deforestation Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Sporadic – agenda item as important matters arise

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Overseeing and guiding public policy engagement

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring the implementation of a climate transition plan

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Overseeing and guiding public policy engagement

☑ Reviewing and guiding innovation/R&D priorities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

At Board of Director (BoD) level, a Board Member - who is also Koç Holding Consumer Durables' President - has been tasked with reporting the climate-related issues to the BoD. The BoD and responsible Board member are involved in Overseeing the setting of corporate targets, Monitoring progress towards corporate targets, Approving corporate policies and/or commitments, Overseeing and guiding the development of a business strategy, Overseeing and guiding acquisitions, mergers, and divestitures, Overseeing and guiding major capital expenditures, Monitoring the implementation of a climate transition plan. There is a board-level Early Detection of Risk Committee. Sustainability risks are considered during the committee meetings. The Committee is responsible for Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities, Overseeing and guiding scenario analysis At Arçelik, there is a Sustainability Council which gathers quarterly with the C-level executive team serving as inherent members. The CFO is the chair. Together with other C-level, CEO, CSO and CFO are involved in Overseeing and guiding scenario analysis, Overseeing the setting of corporate targets, Monitoring progress towards corporate targets, Reviewing and guiding innovation/R&D priorities, Monitoring compliance with corporate policies and/or commitments, Overseeing and guiding the development of a climate transition plan, Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities. In line with Arçelik Global Environmental Policy, we commit to protecting ecosystems, habitats, all species especially endangered species and endemic species, preventing forest ecosystems and land degradation, maintaining, continuously improving and developing the capacity of natural ecosystems and aim to manage impacts on biodiversity in a sustainable manner. Arçelik is committed to no gross deforestation from its operations' activities by 2050. The Company regularly inspects its biodiversity and deforestation goals implementation status. Arçelik comprehensively examines the effectiveness of its activities carried out to achieve its goals, and difficulties in implementing its goals based on the inspection results. This are highlighted in Biodiversity policy which is endorsed by Board of Directors.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

☑ Course certificate (relating to environmental issues), please specify **:**Personal training which includes sustainability-related courses and case studies

Experience

☑ Active member of an environmental committee or organization

Other

☑ Other, please specify **:**media/speaking engagements: Peak: Lessons from Chomolungma, Mark Hyman Podcast, ChangeNOW 2023 Aligning Business with Planetary Boundaries Panel, CNBC Interview - On the Future of Sustainable Business, IFA Keynote Speech 2022, CNBC Squawk Box Int

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

☑ Course certificate (relating to environmental issues), please specify :Personal training which includes sustainability-related courses and case studies

Experience

☑ Active member of an environmental committee or organization

Other

☑ Other, please specify :media/speaking engagements: Peak: Lessons from Chomolungma, Mark Hyman Podcast, ChangeNOW 2023 Aligning Business with Planetary Boundaries Panel, CNBC Interview - On the Future of Sustainable Business, IFA Keynote Speech 2022, CNBC Squawk Box Int

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Conducting environmental scenario analysis

☑ Managing annual budgets related to environmental issues

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

Arçelik has a Sustainability Council (SC) chaired by the CFO. SC meets quarterly and Sustainability Working Groups, Global Communications and Sustainability Communication report to this Council, thus the CFO regarding Arçelik's sustainability performance and any highlights. Corporate sustainability and climate change policies, strategies are set during these meetings and CFO leads this processes and ensures if they are integrated into business processes via monitoring the progress. As part of the SC, the CFO monitors and evaluates ESG risks, strategies and impact on business objectives. The CFO reports critical issues arising from the work of this Committee to the BoD. Thus, CFO has various environmental responsibilities including setting corporate sustainability and climate change strategies, ensuring their integration with the Company's business processes, and monitoring sustainability performance. On top of this, Arçelik CFO is the highest-ranking person with responsibility for monitoring and auditing risk management performance as well. With these duties, Arçelik CFO oversees and manages environmental impact, dependencies, risks and opportunities presented with the collaboration of Sustainability and Enterprise Risk Management teams. The CFO leads the management and implementation of the business strategy based on these environmental issues. As a member of the UN Global Compact's CFO Taskforce, Arçelik's CFO is involved in the processes of sharing ideas and developing new concepts and frameworks together with multi-sectoral group of corporate finance leaders, investors, and financial institutions. Also, the CFO is a member of the Corporate Governance Committee, which present its proposals to the BoD regarding the remuneration to be paid to the members of the BoD and senior executives, taking into account the degree of attainment of the criteria, including environment-related performance.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement
☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets
☑ Measuring progress towards environmental corporate targets
☑ Setting corporate environmental targets

Strategy and financial planning
☑ Conducting environmental scenario analysis
☑ Implementing a climate transition plan
☑ Implementing the business strategy related to environmental issues
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Quarterly

(4.3.1.6) Please explain

Arçelik has a Sustainability Council (SC) chaired by the CFO. Thus, CFO has various environmental responsibilities. Some of these include setting corporate sustainability and climate change strategies, ensuring their integration with the Company's business processes, and monitoring sustainability performance. On top of this, Arçelik CFO is the highest-ranking person with responsibility for monitoring and auditing risk management performance as well. With these duties, Arçelik CFO oversees and manages environmental impact, dependencies, risks and opportunities presented with the collaboration of Sustainability and Enterprise Risk Management teams. The CFO leads the management and implementation of the business strategy based on these environmental issues. As a member of the UN Global Compact's CFO Taskforce, Arçelik's CFO is involved in the processes of sharing ideas and developing new concepts and frameworks together with multi-sectoral group of corporate finance leaders, investors, and financial institutions. Also, the CFO is a member of the Corporate Governance Committee, which present its proposals to the BoD regarding the remuneration to be paid to the members of the BoD and senior executives, taking into account the degree of attainment of the criteria, including environment-related performance.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

At Arçelik, there is a Sustainability Council where all C-level executive team serve as inherent members. Other D-level executives also participate to the Council, depending on the issues to be discussed at the meetings. Here, everyday work and efforts undertaken by Sustainability Working Groups (WGs) such as Climate Change WG, Environment WG etc. are fed into the agenda of SC. Within this framework, biodiversity is a topic that falls into the responsibility of this Council as well. Together with sustainability WGs efforts, the Sustainability Department and Enterprise Risk and Insurance Management Directorate identify and when possible, quantify sustainability-related (including biodiversity) risks, opportunities, dependencies and impacts. These results of these studies are discussed and assessed in SC. With the work presented to SC, future trends in environmental dependencies, impacts, risks, and opportunities are also assessed in the SC. In the light of all these efforts, SC develops the business strategy considering sustainability issues.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:
☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

17

(4.5.3) Please explain

At Arçelik, the performance management system has a pillar called the Objective Key Results (OKRs) which involves setting and reviewing individual goals and development plans. Specific, measurable, achievable, relevant, and timebound (SMART) objectives are defined, and progress toward achieving those objectives are tracked. Since sustainability is at the heart of Arçelik's business, there are specific OKRs determined based on Arçelik's material topics. They are included in the management positions' annual performance evaluation score cards and are linked to annual compensation and bonuses as incentives. The OKRs are linked to the following: -Energy efficient product sale -Increasing sustainability performance of the suppliers -Increasing recycled and reused content in products -Preparing for climate change related regulations -Increasing renewable energy capacity -Emission reduction and achieving SBTi targets -Climate advocacy

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

11

(4.5.3) Please explain

At Arçelik, the performance management system has a pillar called the Objective Key Results (OKRs) which involves setting and reviewing individual goals and development plans. Specific, measurable, achievable, relevant, and timebound (SMART) objectives are defined, and progress toward achieving those objectives are tracked through specific key results. Since sustainability is at the heart of Arçelik's business, there are specific OKRs for ESG topics determined based on Arçelik's material topics. They are included in the management positions' annual performance evaluation score cards and are linked to annual compensation and bonuses as incentives. These KRs touch upon water-related topics in line with the corporate targets of reducing water withdrawal per product in manufacturing facilities and increasing water recycling and reuse.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Board approval of climate transition plan

☑ Achievement of climate transition plan

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in water efficiency – direct operations

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the CEO. Among the CEO's OKRs sustainability-related KPIs are integrated. These KPIs are determined based on Arçelik's material topics 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. These KPIs are linked to annual compensation and bonuses as incentives. Some of these OKRs are as follows: -Achieving SBTi aligned net zero targets -Integration of sustainability holistic approach in the global network

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate-related KPIs into the CEO's OKRs, Arcelik ensures that the climate strategy and goals are adopted, monitored and worked for at the highest management level. Some of these OKRs and the performance metrics they encompass are as follows: The relevant metrics covered by the OKR: "Achieving SBTi aligned net zero targets" are Progress towards environmental targets, Achievement of environmental targets, Reduction in absolute emissions in line with net-zero target, Achievement of climate transition plan, Shift to a business model compatible with a net-zero carbon future, By the OKR: "Integration of sustainability holistic approach in the global network" the CEO's metrics are linked to: • The organization performance against sustainability indices such as S&P Global Corporate Sustainability Assessment – Dow Jones Sustainability Index, Corporate Knights, MSCI Sustainability Index, FTSE4Good etc. • Increased proportion of revenue from low environmental impact products or services in line with the corporate targets • Increased share of renewable energy in total energy consumption in line with the corporate goal of 100% green electricity usage in all manufacturing facilities by 2030 • Reduction in water consumption volumes in direct operations in line with the corporate goal of reducing water withdrawal per product by 45% compared to 2015 in all manufacturing facilities by 2030 • Improvements in water efficiency in direct operations in line with the corporate goal of increasing the water recycling and reuse ratio to 70% in all manufacturing facilities • Increased supplier compliance with environmental requirements, New or tighter environmental requirements applied to purchasing practices and Increased engagement with suppliers on environmental issues within the scope of successful implementation of Arçelik's Supplier ESG Program • Implementation of employee awareness campaign or training program on environmental issues in line with the corporate goal of increasing training hours per employee, including ESG topics.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Board approval of climate transition plan

☑ Achievement of climate transition plan

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

☑ Reduction in water consumption volumes – direct operations

☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)

☑ Improvements in water efficiency – direct operations

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

☑ Implementation of water-related community project

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the CEO. Among the CEO's OKRs water-related KPIs are integrated. These KPIs are linked to annual compensation and bonuses as incentives. The key OKR regarding water performance is "Integration of sustainability holistic approach in the global network".

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the mentioned water-related KPIs into the CEO's OKRs, Arcelik ensures that the water management strategy and goals are adopted, monitored and worked for at the highest management level. The key OKR regarding water performance is "Integration of sustainability holistic approach in the global network". This OKR is linked the following metrics: • The achievement and Board approval of the climate transition plan regarding water targets and related roadmap • The progress towards and achievement of environmental targets regarding water • The organization performance against sustainability indices such as S&P Global Corporate Sustainability Assessment – Dow Jones Sustainability Index, Corporate Knights, MSCI Sustainability Index, FTSE4Good etc. • Reduction in water consumption volumes in direct operations in line with the corporate goal of reducing water withdrawal per product by 45% compared to 2015 in all manufacturing facilities by 2030 • Improvements in water efficiency in direct operations in line with the corporate goal of increasing the water recycling and reuse ratio to 70% in all manufacturing facilities • Increased supplier compliance with environmental requirements, New or tighter environmental requirements applied to purchasing practices, improvements in water efficiency and reduction of water withdrawal and consumption in upstream value chain and Increased engagement with suppliers on environmental issues within the scope of successful implementation of Arçelik's Supplier ESG Program • Implementation of employee awareness campaign or training program on environmental issues in line with the corporate goal of increasing training hours per employee, including water-related topics • Implementation of water-related community project in line with Arçelik's targets to reach local population with partnerships such as water.org.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Financial Officer (CFO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Improvements in emissions data, reporting, and third-party verification

☑ Energy efficiency improvement

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

☑ Other policies and commitments-related metrics, please specify **:**Effective strategy building and advocacy on CBAM

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the CFO. Among the CFO's OKRs climate change KPIs are integrated. These KPIs are determined based on Arçelik's material topics 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. These KPIs are linked to annual compensation and bonuses as incentives. The key OKRs of the CFO regarding climate are as follows: • Completion of renewable energy projects, • Effective strategy building and advocacy on climate transition regulations, • Integration of sustainability holistic approach in the global network including progress towards SBTi targets • leadership in sustainability indices, • sustainability processes in the supply chain, • complying with sustainability reporting requirements and green financing.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate KPIs mentioned into the CFO's OKRs, Arcelik ensures that the climate change strategy and goals are adopted, monitored and worked for at the highest management level. The key OKRs of the CFO regarding climate are as follows: • Completion of renewable energy projects, • Effective strategy building and advocacy on climate transition regulations, • Integration of sustainability holistic approach in the global network including progress towards SBTi targets • leadership in sustainability indices, • sustainability processes in the supply chain, • complying with sustainability reporting requirements and green financing. These OKRs correspond to the metrics of Progress towards and achievement of environmental targets, Organization performance against an environmental sustainability indices, Reduction in absolute emissions in line with net-zero target, Achievement of climate transition plan, Increased alignment of capex with transition plan and/or sustainable finance taxonomy, Shift to a business model compatible with a net-zero carbon future, Implementation of an emissions reduction initiative, Increased share of renewable energy in total energy consumption, Reduction in absolute emissions, Energy efficiency improvement, Improvements in emissions data, reporting, and third-party verification, Increased supplier compliance with environmental requirements, New or tighter environmental requirements applied to purchasing practices, Increased value chain visibility and Increased engagement with suppliers on environmental issues.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in water efficiency – direct operations

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Chief Sustainability, Quality and Customer Care Officer. Among the position's OKRs, climate change KPIs are integrated. These KPIs are determined based on Arçelik's material topics 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. These KPIs are linked to annual compensation and bonuses as incentives. The key OKRs of the CSO regarding climate are as follows: • integration of sustainability holistic approach in the global network, • completion of solar power projects, • progress against SBTi targets, • conducting climate change mitigation advocacy • Effective strategy building and advocacy on climate transition regulations.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate-related KPIs into the OKRs of the Chief Sustainability, Quality and Customer Care Officer, Arcelik ensures that the climate strategy and goals are adopted, monitored and worked for at the highest management level. The key OKRs of the CSO regarding climate are as follows: • integration of sustainability holistic approach in the global network, • completion of solar power projects, • progress against SBTi targets, • conducting climate change mitigation advocacy • Effective strategy building and advocacy on climate transition regulations. These OKRs encompass the metrics of Progress towards environmental targets, Organization performance against an environmental sustainability indices, Reduction in absolute emissions in line with net-zero target, Achievement of climate transition plan, Shift to a business model compatible with a net-zero carbon future, Increased proportion of revenue from low carbon products, Implementation of an emissions reduction initiative, Increased share of renewable energy in total energy consumption, Reduction in absolute emissions, Reduction in water consumption, Improvements in water efficiency, Energy efficiency improvement, Increased supplier compliance with environmental requirements, New or tighter environmental requirements applied to purchasing practices, Increased engagement with suppliers on environmental issues.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Technology Officer (CTO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased investment in environmental R&D and innovation

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in absolute emissions

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Chief Production and Technology Officer. Among the CTO's OKRs, climate change KPIs are integrated. These KPIs are determined based on Arçelik's material topics 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. These KPIs are linked to annual compensation and bonuses as incentives. The key OKRs of the CTO regarding climate are as follows: •increasing energy efficiency of appliances, •integration home energy management systems, •digitization and automation of production processes, • decreasing production footprint, •integration of sustainability holistic approach in the global network, •emission reduction in line with the net zero target. These OKRs encompass the metrics of Progress towards and achievement of environmental targets, Reduction in absolute emissions in line with net-zero target, Shift to a business model compatible with a net-zero carbon future, Increased proportion of revenue from low carbon products, Implementation of an emissions reduction initiative, Reduction in absolute emissions.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate-related KPIs into the OKRs of the Chief Production and Technology Officer, Arcelik ensures that the climate strategy and goals are adopted, monitored and worked for at the highest management level.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Other C-Suite Officer, please specify **:**Chief Marketing Officer

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased proportion of revenue from low environmental impact products or services

Resource use and efficiency

☑ Other resource use and efficiency-related metrics, please specify **:**Increasing efficient products and modularity

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Chief Marketing Officer. Among the CMO's OKRs, climate change KPIs are integrated. These KPIs are determined based on Arçelik's material topics 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. These KPIs are linked to annual compensation and bonuses as incentives. The key OKRs of the CMO regarding climate are as follows: • increasing the sales of energy-efficient products, •reducing the inefficient product models and increasing modularity. These OKRs encompass the metrics of Progress towards environmental targets, Shift to a business model compatible with a net-zero carbon future, Increased proportion of revenue from low carbon products and increasing efficient products and modularity.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate-related KPIs into the OKRs of the CMO, Arcelik ensures that the climate strategy and goals are adopted, monitored and worked for at the highest management level.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Procurement Officer (CPO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

Emission reduction

☑ Implementation of an emissions reduction initiative

Resource use and efficiency

☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

☑ Other resource use and efficiency-related metrics, please specify **:**Increasing recycled and reused content

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Chief Purchasing and Supply Chain Officer. Among the OKRs of the position, climate change KPIs are integrated. These KPIs are determined based on Arçelik's material topics 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. These KPIs are linked to annual compensation and bonuses as incentives. The key OKRs of the Chief Purchasing and Supply Chain Officer regarding climate are as follows: • increasing sustainability performance of the suppliers according to 3rd party audits and data collection process, • increasing recycled and reused content, • effective strategy building and completion of necessary reporting obligations regarding the climate transition regulations, • enhancing supply chain sustainability monitoring, • considering low carbon alternatives in the operations These OKRs encompass the metrics of Progress towards environmental targets, Shift to a business model compatible with a net-zero carbon future, Implementation of an emissions reduction initiative, Reduction of water withdrawal and consumption in the upstream value chain, Improvement in water efficiency in upstream value chain, Increasing recycled and reused content, Increased supplier compliance with environmental requirements, New or tighter environmental requirements applied to purchasing practices and Increased engagement with suppliers.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate-related KPIs into the OKRs of the Chief Purchasing and Supply Chain Officer, Arcelik ensures that the climate strategy and goals are adopted, monitored and worked for at the highest management level.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☑ Business unit manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Emission reduction

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Other resource use and efficiency-related metrics, please specify **:**Using recycled material in products and packaging

Policies and commitments

☑ Increased supplier compliance with environmental requirements

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified and climate related KPIs are integrated into the system for relevant business unit managers. These OKRs are as follows: •Decreasing Scope 1-2 GHG emissions, •Decreasing Scope 3 use phase GHG emissions, • Supply chain sustainability integration, • Using recycled material in products, • Using recycled material in packaging, • Green financing, •Sustainable finance reporting These OKRs encompass the metrics of Progress towards environmental targets, Reduction in absolute emissions in line with net-zero target, Shift to a business model compatible with a net-zero carbon future, Increased alignment of capex with transition plan and/or sustainable finance taxonomy, Using recycled material in products and packaging, Increased supplier compliance with environmental requirements, Increased engagement with suppliers on environmental issues.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate-related KPIs into the related business unit managers' OKRs, Arcelik ensures that the climate strategy and goals are closely monitored and regularly worked on.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☑ Facilities manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Emission reduction

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Other resource use and efficiency-related metrics, please specify **:**Using recycled material in products and packaging

Policies and commitments

☑ Increased supplier compliance with environmental requirements

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified and climate related KPIs are integrated into the system for relevant factory managers. These OKRs are as follows: •Decreasing Scope 1-2 GHG emissions, •Decreasing Scope 3 use phase GHG emissions, • Supply chain sustainability integration, • Using recycled material in products, • Using recycled material in packaging, • Green financing, •Sustainable finance reporting These OKRs encompass the metrics of Progress towards environmental targets, Reduction in absolute emissions in line with net-zero target, Shift to a business model compatible with a net-zero carbon future, Increased alignment of capex with transition plan and/or sustainable finance taxonomy, Using recycled material in products and packaging, Increased supplier compliance with environmental requirements, Increased engagement with suppliers on environmental issues.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the climate-related KPIs into the related factory managers' OKRs, Arcelik ensures that the climate strategy and goals are closely monitored and regularly worked on.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in water efficiency – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Chief Sustainability, Quality and Customer Care Officer. Among the position's OKRs water-related KPIs are integrated. These KPIs are linked to annual compensation and bonuses as incentives. The key OKR regarding water performance is "Integration of sustainability holistic approach in the global network". This OKR is linked the following metrics: • Reduction in water consumption volumes in direct operations in line with the corporate goal of reducing water withdrawal per product by 45% compared to 2015 in all manufacturing facilities by 2030 • Improvements in water efficiency in direct operations in line with the corporate goal of increasing the water recycling and reuse ratio to 70% in all manufacturing facilities

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the mentioned water-related KPIs into the OKRs of the Chief Sustainability, Quality and Customer Care Officer, Arcelik ensures that the water management strategy and goals are adopted, monitored and worked for at the highest management level.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Procurement Officer (CPO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Strategy and financial planning

☑ Achievement of climate transition plan

Resource use and efficiency

☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Chief Procurement Officer. Among the CPO's OKRs water-related KPIs are integrated. These KPIs are linked to annual compensation and bonuses as incentives. The key OKR regarding water performance is "Increasing sustainability performance of the suppliers". This OKR is linked the following metrics: • Increased supplier compliance with environmental requirements, New or tighter environmental requirements applied to purchasing practices, improvements in water efficiency and reduction of water withdrawal and consumption in upstream value chain and Increased engagement with suppliers on environmental issues within the scope of successful implementation of Arçelik's Supplier ESG Program

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the mentioned water-related KPIs into the CPO's OKRs, Arcelik ensures that the water management strategy and goals are adopted, monitored and worked for at the highest management level.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Board approval of climate transition plan

☑ Shareholder approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

☑ Increased proportion of revenue from low environmental impact products or services

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

☑ Shift to a business model compatible with a net-zero carbon future

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

☑ Improvements in emissions data, reporting, and third-party verification

☑ Other resource use and efficiency-related metrics, please specify **:Increasing the use of recycled plastic and bio-plastic content**

☑ Reduction of water withdrawals – direct operations

☑ Improvements in water efficiency – direct operations

☑ Reduction in water consumption volumes – direct operations

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

☑ Implementation of water-related community project

☑ Increased access to workplace WASH – direct operations

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Sustainability Director, Environment Director and Energy Director. All of these positions have the responsibility of monitoring the progress against corporate sustainability targets and achieving them. The related directors follow and work towards the following targets: - Establish renewable energy systems with 50 MW capacity, - 100% green electricity usage in all manufacturing facilities, - Reduce energy consumption per product by 45% in all manufacturing facilities, - Doubling energy productivity, - Make a minimum USD 50 million investment in renewable energy and energy efficiency, - Reduce Scope 1-2 and Scope 3 use phase GHG emissions by 42%, - Reduce water withdrawal per product by 45% in all manufacturing facilities, - Increase the water recycling and reuse ratio to 70% in all manufacturing facilities, - Increase the waste recycling rate to 99% in all manufacturing facilities, - Arçelik Green Chemistry Management System implementation at 100% in products and all manufacturing facilities, - Increase recycled plastic content to 40% in products, - Increase bio-based material content to 5% in products, - Implement ISO 50001 Energy Management Systems across all manufacturing facilities.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the mentioned KPIs into the OKRs at the director level, Arcelik ensures that the climate change strategy and goals are followed and the necessary actions are taken at the operational level.

Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Board approval of climate transition plan

☑ Achievement of climate transition plan

☑ Increased proportion of revenue from low environmental impact products or services

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Resource use and efficiency

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in water efficiency – direct operations

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

☑ Implementation of water-related community project

☑ Increased access to workplace WASH – direct operations

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At Arçelik, a performance management system called Objectives Key Results (OKRs) is identified for employees, including the Sustainability Director, Environment Director and Energy Director. All of these positions have the responsibility of monitoring the progress against corporate sustainability targets and achieving them. The related directors follow and work towards the following targets: - Reduce water withdrawal per product by 45% in all manufacturing facilities, - Increase the water recycling and reuse ratio to 70% in all manufacturing facilities, - Increase the waste recycling rate to 99% in all manufacturing facilities, - Arçelik Green Chemistry Management System implementation at 100% in products and all manufacturing facilities

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By integrating the mentioned KPIs into the OKRs at the director level, Arcelik ensures that the climate change strategy and goals are followed and the necessary actions are taken at the operational level.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Water
☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

As Arçelik, we regard the climate crisis, water and biodiversit as a fundamental risk affecting the sustainability of our operations. Thus, our environmental policy covers our direct operations regarding this areas. Also, effective and sustainable management of the supply chain has strategic importance to our climate strategy. We analyze the sustainability risks in our supply chain and assess based on our risks and consider our upstream and downstream value chain. With the awareness of our responsibilities, we also plan to manufacture more environmentally friendly and innovative products with sustainable and resource efficient production to find solutions against climate crisis and include this in our policy as well. Thus, our Climate Change Strategy covers our direct operations, upstream and downstream value chain.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to a circular economy strategy

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

☑ Commitment to not funding climate-denial or lobbying against climate regulations

Water-specific commitments

☑ Commitment to reduce water withdrawal volumes

☑ Commitment to safely managed WASH in local communities

☑ Commitment to water stewardship and/or collective action

Social commitments

☑ Adoption of the UN International Labour Organization principles

☑ Commitment to promote gender equality and women's empowerment

☑ Commitment to respect internationally recognized human rights

Additional references/Descriptions

☑ Acknowledgement of the human right to water and sanitation

☑ Description of environmental requirements for procurement

☑ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

☑ Description of membership and financial support provided to organizations that seek to influence public policy

☑ Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

climate_change_strategy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

Arçelik recognizes the importance of protecting natural ecosystems and biodiversity as outlined in its Biodiversity and No Deforestration Policy. This policy's main coverage is Arçelik's operation locations.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to avoidance of negative impacts on threatened and protected species

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to No Net Loss

☑ Commitment to respect legally designated protected areas

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify **:**Arçelik recognizes Convention on Conserving Biodiversity, Natura 2000, IUCN Guidelines, SBTN and TNFD.

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

biodiversity-no-deforestration-policy.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Water

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

In line with our vision "Respecting the World, Respected Worldwide", we integrate sustainability approach to all of our activities aligned with the Sustainable Development Goals. As a global company operating throughout the world, we acknowledge water is an essential resource of life, and appreciate that our policy and actions regarding water, have a significant effect on employees, customers, and other communities. In this context, respecting the human rights to water and sanitation, we are committed to; •Perform our activities beyond regulatory compliance, •Improve our water performance by focusing on reducing water withdrawal, increasing water efficiency, enhancing water monitoring and increasing water recycling & reuse in line with our water targets & goals, •Minimize our water related

environmental impacts throughout the product lifecycle by adopting innovative technologies, •Raise environmental awareness of our employees, stakeholders and the society, •Provide water sanitation and hygiene, support water stewardship by collaborating with related stakeholders and participating in national & international water initiatives.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Water-specific commitments

☑ Commitment to control/reduce/eliminate water pollution

☑ Commitment to reduce water consumption volumes

☑ Commitment to reduce water withdrawal volumes

☑ Commitment to safely managed WASH in local communities

☑ Commitment to water stewardship and/or collective action

Additional references/Descriptions

☑ Acknowledgement of the human right to water and sanitation

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

28_07water_policy.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ CEO Water Mandate

☑ UN Global Compact

☑ We Mean Business

Network

☑ Race to Zero Campaign

☑ Science-Based Targets Initiative (SBTi)

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ World Business Council for Sustainable Development (WBCSD)

☑ Other, please specify **:EP100, WEF CEO Alliance Climate Leaders, UN CFO**

(4.10.3) Describe your organization's role within each framework or initiative

1) As part of Arçelik's water management approach, Arçelik had become one of the 200 companies that signed the CEO Water Mandate in 2022. We commit to meeting the expectations of the CEO Water Mandate and report on our progress annually. Thus, we are committed to take action in the following areas: • Direct Operations • Supply Chain and Watershed Management • Collective Action • Public Policy • Community Engagement • Transparency As a part of our commitments, we established a partnership with Water.org in 2022 to support a community program that will empower 10,000 Kenyans in need of access to safe water and sanitation solutions. 2) Arçelik has become one of the signatories of the Business Ambition for 1.5C, Race to Zero Campaign in September 2021, which is an urgent call to action from a global coalition of UN agencies, business and industry leaders, in partnership with the Race to Zero. 3) Arçelik has committed to being a Net Zero 2050 company aligned with the SBTi Net-Zero Standard. In this regard, Arçelik set a new near term and long term SBTi target aligned with a 1.5-degree scenario. 4) Arçelik is a signatory of TCFD and conducts comprehensive risk and opportunity analysis for climate-related financial disclosures in line with the TCFD guidance and reports the results openly. 5) We strongly support the United Nations Global Compact (UNGC) and incorporate its Ten Principles into all our business operations. We annually disclose and report our progress on how we applied these Principles. Arçelik also engages in the initiatives of UNGC such as Forward Faster Initiative, CFO Taskforce and CEO Water Mandate. 6)We have signed the urgency statement of the We Mean Business Coalition to show our commitment to limiting global warming to 1.5C and avoiding dangerous tipping points. 7)Arçelik's long-term strategy and approach to sustainability issues aligned with the WBCSD's membership requirements and Vision 2050: Time for Transformation, which aims to build a future where more than nine billion people can live well within planetary boundaries. At

Arçelik, we support the WBCSD Manifesto, which sets out twelve action priorities framed around reducing, removing, and reporting emissions and emphasizes the need for public-private collaboration to drive climate action. 8)EP100, including over 100 energy-smart companies dedicated to using energy more efficiently, is governed by the Climate Group in partnership with the World Green Building Council. As a signatory company, Arçelik set targets to increase energy efficiency by doubling our global economic output for each unit of energy consumed from 2010 to 2030 and plan to implement ISO 50001 Energy Management Systems in all manufacturing plants by 2025. 9)We are a member of the World Economic Forum's Alliance of CEO Climate Leaders which is s global CEO-led community in the world committed to climate action. 10)We are proud to be part of the UN Global Compact's CFO Taskforce, which brings together a multi-sectoral group of corporate finance leaders, investors, financial institutions, and the United Nations to share ideas and develop new concepts and frameworks.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

arc-elik-globals-review-into-its-industry-association-memberships-report.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

Arçelik is registered to European Union's Transparency Register with REG Number: 001373249269-75. You may see the details of the registration from the link: https://transparency-register.europa.eu/searchregister-or-update/organisation-detail_en?id001373249269-75

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Arçelik has a Global Sectoral Relations Management & Ngo Membership Policy which outlines the mechanisms to ensure the alignment of corporate relations with Arçelik's climate goals. The policy outlines the following: - Arçelik Global works to develop enduring relationships based on mutual trust with all stakeholders including public bodies, NGOs, sectoral institutions, and etc. Pursuant to Arçelik's Global Human Rights Policy and Climate Change Strategy, Arçelik works in collaboration with all public bodies, NGOs, trade associations and other related organisations or institutions in the advancement of the proposed legislation and/or other related regulations which may affect legitimate business interests that are compatible with international human rights norms and Paris Agreement. - Chief Sustainability, Quality, and Customer Care Officer shall be responsible for the oversight of all communications with related institutions covered by this policy in line with Arçelik's Climate Change Strategy and Global Code of Conduct which are based on international guiding principles and agreements related with human rights and environment (such as United Nations Guiding Principles on Business and Human Rights, Paris Agreement, and etc.)
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

European Green Deal and Green Deal Industrial Plan

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

☑ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☑ Emissions – CO2

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

Arçelik believes that the world must move decisively into a net-zero era, with a renewed emphasis on how technology can drive progress toward ambitious climate goals. Achieving these targets requires the integration of all net-zero technologies, including our own energy-efficient products, to fully meet global climate commitments. However, Europe, as a leader in this transition, urgently needs reliable partners to maintain a cost-effective and competitive economy. Because the supply of critical raw materials are becoming increasingly crucial and the need for resilient supply chains more pressing than ever, it is essential to prioritize building strategic partnerships, especially with countries with which the EU already has agreements. From a global standpoint, international cooperation is pivotal. As global trade plays a key role in shaping sustainable economies, there must be a concerted effort to forge reliable, climate-oriented partnerships on a global scale. Only through stronger collaboration between nations can we effectively address the challenges of resource security and climate change, ensuring a resilient, net-zero future for all.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Discussion in public forums

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Arçelik has perceived sustainability as a business model for a long time. Through the Company's commitment to a sustainable business model, Arçelik has been searching for ways to transform all areas of the company to better suit ambitious goals. Arçelik, through its memberships, actively contributes to the improvement of climate change policies in the countries that it operates as well as the legislations under the Green Deal in the EU. As known, international carbon pricing schemes and the EU Green Deal are steadily developing. Arçelik, being a global participant in the climate change discussions, promotes high-level leadership measures and actively participates in various events to push the climate agenda. Arçelik's CEO is a commissioner on the World Bank's High-Level Commission on Carbon Pricing and Competitiveness and has previously spoken on effective carbon pricing methods that would enable the world to transition to a carbon-free economy. Arçelik truly believes that environmental concerns, human rights, equality, health and safety for all, prevention of child labour, business ethics, compliance, and responsibility must be the utmost priorities for everyone and every company.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Emission Trading System (ETS)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☑ Emissions trading schemes

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Discussion in public forums

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Arçelik believes that ETS provides companies with a clear framework and a signal for reducing emissions. The emission cap and allowance allocation can be set progressively to align with climate targets, allowing businesses to plan their investments and operations accordingly. Considering the urgency and scale of the existential threat the world is facing, there must be increased global cooperation. Emissions trading systems can be designed to link with other systems, enabling international cooperation and harmonization, which is vital in combating climate change. This alignment promotes global emission reductions and avoids carbon leakage, where companies relocate to jurisdictions with weaker emission regulations. Thus, Arçelik underlines that all carbon pricing mechanisms should be cohesive and aligned to reach global climate targets. Moreover, ETS not only creates a financial incentive for companies to reduce emissions but also generates an immense

revenue needed for cleaner technologies and practices. Hence, Arçelik emphasizes that revenues gathered from the emission trading systems must be used in transforming industry and eliminating any possible social effects of climate change.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Carbon Border Adjustment Mechanism (CBAM)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☑ Taxes on products or services

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation

Under the broad framework of the EU Green Deal, several key initiatives are impacting the EU's trade and competitiveness, with the Carbon Border Adjustment Mechanism (CBAM) being among the most prominent. However, from the perspective of downstream industries, CBAM presents certain challenges and risks, particularly the potential for an import surge from markets with lower environmental standards. As currently designed, CBAM applies only to a limited range of imported raw materials and electricity, excluding finished products. This narrow focus could inadvertently weaken the competitiveness of downstream industries within the EU, potentially leading to long-term deindustrialization. While CBAM was initially developed to address carbon leakage and promote global reductions in greenhouse gas emissions, there is now a growing recognition that a broader approach is needed to safeguard downstream industries. Arçelik believes that a complementary, tailored legislative framework, combined with enhanced international cooperation, is essential for ensuring CBAM's effectiveness without undermining EU industries. Additionally, as other countries begin to consider adopting CBAM-like mechanisms, increased global dialogue will be critical to avoid unintended disruptions to international trade. A renewed focus on addressing the needs of downstream industries through CBAM will help balance climate goals with economic competitiveness, ensuring the long-term sustainability of both.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Discussion in public forums

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Arçelik believes that there is a need for increased cooperation in combating climate change and reducing global emissions. Arçelik emphasizes that reducing emissions collectively is necessary more than ever. There are several countries who are planning to establish their own ETS and CBAM-like mechanisms, but harmony and cohesion is a must to achieve global targets. Thus, Arçelik perceives WTO compatibility as significant. Moreover, the revenue generated from CBAM certificates can be used to finance green investments in the exporting countries outside the EU as well as to accelerate green and digital transition.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 4

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Corporate Sustainable Due Diligence Directive (CSDDD)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Transparency and due diligence

☑ Due diligence requirements

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Discussion in public forums

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Corporate sustainability due diligence is an ongoing process that requires a commitment to continuous improvement and engagement with stakeholders. Certainly, by integrating sustainability considerations into their operations, companies can enhance their long-term viability, reputation, and contribute to a more sustainable economy and society. Arçelik implements a due diligence process to identify, mitigate, and prevent potential and actual salient human rights and/or environmental issues in the entire value chain. The due diligence process covers risk identification in own operations, the value chain, and cases of acquisitions or mergers. All findings from the assessment of due diligence for own operations, for those in the value chain as well as any concerns raised for potential mergers/acquisitions, are systematically reported to respective departments and the Sustainability Council as well. Arçelik collects GHG emissions, water, waste and energy data from suppliers. Arçelik informs suppliers not only about the mitigation costs to be incurred today but also about the adaptation risks to be incurred in the future if the planet cannot be on track with a 1,5 degree warming scenario.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 6

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Ecodesign for Sustainable Products Regulation (ESPR)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

☑ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

☑ Circular economy

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Discussion in public forums

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

We strongly believe a holistic and standardized product regulation will ensure the seamless functioning of the Single Market and prevent discrepancies among different jurisdictions. Eco-design requirements do not only contribute to our fight against climate change but also support European customers grappling with rising energy prices. As a part of EU's Ecodesign for Sustainable Products Regulation (ESPR), establishing a Digital Product Passport (DPP) is also under consideration in order to help consumers in making sustainable choices and allow authorities to verify compliance with legal obligations. Arçelik believes that DPP will positively contribute to sustainability of products and add value to consumers if requirements are determined constructively on a product and sectoral basis.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 7

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Right to Repair

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

☑ Circular economy

☑ Extended Producer Responsibility (EPR)

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Discussion in public forums

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Arçelik is committed to sustainability and durability of its products. As part of this commitment, the company also invests in the longevity of its products and encourages the refurbishment of goods or replacement of parts. With the spreading of Right to Repair regulations, Arçelik will find a better common ground in the product and regulatory market to enhance the repeatability of its products.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**APPLiA

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

APPLiA's main interest areas are sustainability, energy efficiency, green and digital transition, packaging, competitiveness etc. These areas match with Arçelik's sustainability vision, targets and road maps formulated under its strategy to adopt Sustainability as a Business Model. Arçelik has corporate targets to increase energy efficiency, minimize its environmental impact stemming from production processes, products and packaging. There are several working groups where specific topics are discussed, and a general view of the sector is formulated. Arçelik's CEO is currently the president of APPLiA and technical teams of Arçelik actively attend to working group meetings.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

11447143

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 11,447,143 TRY. The funding figure corresponds to the membership fee Arçelik has paid to APPLiA in 2023. Arçelik supports APPLiA via this membership fee and the organization is expected to create an influence on environmental and sustainability-related policies in a way to enhance energy efficiency, green and digital transition and packaging.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Africa

☑ Other trade association in Africa, please specify **:**South African Domestic Appliances Association (SADA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

SADA is a local trade association that provides a single, consensual voice for the home appliance industry, promoting industrys mission to advance the lifestyles of South Africans. Defy (Arçelik's subsidiary) holds a BoD position at SADA and actively contributes to issues related with the industry in general and also specific issues like circular economy, e-waste and energy labelling.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

440767

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 440,767 TRY. The funding figure corresponds to the membership fee Arçelik has paid to SADA in 2023. Arçelik supports SADA via this membership fee and the organization is expected to create an influence on environmental and sustainability-related policies.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**ZVEI - German Electrical and Electronic Manufacturers' Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual’s position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

ZVEI, the Electro and Digital Industry Association, promotes the industry’s collective economic, technological and environmental policy interests on a national, European and global level. The industry has round about 890,000 employees in Germany plus 766,000 employees all over the world. Main topics of interest are sustainability & environment, circular economy, energy efficiency, Cybersecurity and mobility. These areas match with Arçelik's sustainability vision, targets and road maps formulated under its strategy to adopt Sustainability as a Business Model. Beko Grundig Deutschland GmbH (Arçelik's Subsidiary) is currently at the Board of ZVEI's Consumer Electronics Section and supports ZVEI's advocacy of sustainability.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

2280714

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 2,280,714 TRY. The funding figure corresponds to the membership fee Arçelik has paid to ZVEi in 2023. Arçelik supports ZVEi via this membership fee and the organisation is expected to create an influence on environmental and sustainability-related policies in a way to strengthen the actions for sustainability & environment, circular economy, energy efficiency, Cybersecurity and mobility.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 4

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**AMDEA - UK trade association for the manufacturers of small and large domestic appliances

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

AMDEA represents 80% of the appliance industry in the UK, covering manufacturers of small and large domestic appliances. AMDEA has two main committees, namely technical and consumer group that are supported by issue specific panels. Main areas of focus are as follows: circular economy, environment, sustainability targets, WEEE, cybersecurity. These areas match with Arçelik's sustainability vision, targets and road maps formulated under its strategy to adopt Sustainability as a Business Model. Beko PLC, a subsidiary of Arçelik has been a member of AMDEA for more than 15 years, with the Managing Director of Beko PLC serving as the Chair of the Association.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

3640877

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 3,640,877 TRY. The funding figure corresponds to the membership fee Arçelik has paid to AMDEA in 2023. Arçelik supports AMDEA via this membership fee and the organisation is expected to create an influence on environmental and sustainability-related policies in a way to strengthen the actions for circular economy, environment, sustainability targets, WEEE and cybersecurity.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 6

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**RECYCLING OF USED PLASTICS LIMITED (RECOUP)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

RECOUP is a charity organization which gathers a network of over 180 members, committing to a more sustainable use of plastics. To achieve this goal, RECOUP undertakes activities which stimulate the development of plastics waste and effective resource management, research, and analysis on future plastics recycling systems. This matches with Arçelik's sustainability vision including its targets such as increasing the recycled plastic in products. Beko Plc (Arçelik's subsidiary) has been a member of RECOUP since 2021 and has participated in promoting more sustainability in the use of plastics throughout our sector.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

273942

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 273,942 TRY. The funding figure corresponds to the membership fee Arçelik has paid to RECOUP in 2023. Arçelik supports RECOUP via this membership fee and the organization is expected to create an influence on environmental and sustainability-related policies.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 7

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

☑ Other trade association in North America, please specify :ASSOCIATION OF HOME APPLIANCE MANUFACTURERS - AHAM

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

AHAM is a unanimous voice providing the industry with leadership, advocacy and a forum for action in public policy, standards and business decisions. AHAM helps manufacturers bring efficient, high-performing home appliances into the homes of consumers in the United States, Canada and around the world. It also promotes the industry's mission to increase appliance performance while reducing its impact on the environment. It plays an active role in the fields of energy efficiency, e-waste, resources, safety, and standardisation. The working areas of AHAM matches with Arçelik's sustainability strategy including targets to reduce Scope 3 GHG emissions from use of sold product and reduce water withdrawal per product. Beko US (Arçelik's subsidiary) contributes and provides responses to current and draft regulations and policies through AHAM.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

1243792

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 1,243,792 TRY. The funding figure corresponds to the membership fee Arçelik has paid to AHAM in 2023. Arçelik supports AHAM via this membership fee and the organisation is expected to push for increasing appliance performance while reducing the impact on the environment

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 8

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

☑ Other global trade association, please specify **:**EP100

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

EP100 is a global initiative led by the international non-profit Climate Group, bringing together over 120 energy smart businesses committed to measuring and reporting on energy efficiency improvements. Each member company has its own commitment regarding energy efficiency. The mandate of EP100 matches with Arçelik's sustainability vision and strategy considering that energy efficiency is one of the main pillars of this strategy. Arçelik also made a commitment to "Double energy productivity by 2030, relative to a 2010 baseline, and implement an energy management system (EnMS) across its global production facilities by 2025" as part of its EP100 membership.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

118639

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 118,639 TRY. The funding figure corresponds to the membership fee Arçelik has paid to EP100 in 2023. Arçelik supports EP100 via this membership fee and the organization is expected to create an influence on environmental and sustainability-related policies.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 9

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☑ Other trade association in Asia and Pacific, please specify **:**TÜSİAD - Turkish Industry and Business Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

With strong representative power in terms of the added value created by member organisations in Türkiye's economy, TÜSİAD is also a member of Business Europe, which is considered to represent the European private sector. As an umbrella NGO representing Türkiye's business world, TÜSİAD is an institution that actively participates in forming opinions as a public authority on a wide range of topics from sectoral developments to other related areas. In addition, TÜSİAD can closely monitor legislative works in the EU which concern our sector, and form opinions at the level of EU institutions by means of the Business Europe channel of which it is a member. We actively participate in and contribute to many TÜSİAD working groups and task forces. In particular, TÜSİAD has a Sustainable Development Round Table which aims to contribute to embedding sustainable development principles and to the environmental protection and spreading out the principles of low carbon economy into the business practices. These working areas match with Arçelik's sustainability strategy through touching on topics such as environment and climate change, energy, energy productivity and green deal.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

525000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Please note that the funding figure is 525,000 TRY. The funding figure corresponds to the membership fee Arçelik has paid to TÜSİAD in 2023. Arçelik supports TÜSİAD via this membership fee and the organisation is expected to create an effective advocacy for climate change action, energy efficiency and preparing for the implications of green deal.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ GRI

☑ IFRS

☑ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change
☑ Water

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply
☑ Strategy
☑ Governance
☑ Emission targets
☑ Risks & Opportunities
☑ Value chain engagement
☑ Dependencies & Impacts
☑ Content of environmental policies

(4.12.1.6) Page/section reference

For Strategy and Governance, please see pg. 132-143 For Emission targets, please see pg. 148 For Emission figures, please see pg. 153 For Risks & Opportunities and Dependencies & impact, please see pg. 450-459 For the Content of environmental policies, please see pg. 146-152 For Value chain engagement, please see pg. 140

(4.12.1.7) Attach the relevant publication

2023_Annual Report.pdf

(4.12.1.8) Comment

You may see Arçelik latest Annual Report for 2023 reporting year. This is Arçelik's mainstream annual report that outlines the overall performance and developments including the financial tables, investments, new products introduced, corporate governance information and indicators as well as certain ESG content. The chapter dedicated to sustainability as well as data in annex sections provide information about Arçelik's climate change, water and biodiversity strategies, governance mechanisms, targets, realized figures, risks and opportunities, content of policies, value chain engagement and dependencies and impact.

Row 2

(4.12.1.1) Publication

Select from:

☑ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Content of environmental policies

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Biodiversity indicators

☑ Public policy engagement

☑ Water pollution indicators

(4.12.1.6) Page/section reference

For Strategy and Governance, see pg. 16-36 For Emission targets, see pg. 34 For Emissions figures, see pg. 165 For Risks & Opportunities, see pg. 192-205 For Water accounting figures and Water pollution indicators, see pg. 166 For Content of environmental policies, see pg. 38-56 For Value chain engagement, see pg. 26-27 For Biodiversity indicators and Dependencies & Impacts, see pg. 54-56 For Public policy engagement, see pg. 24

(4.12.1.7) Attach the relevant publication

Arcelik_SustainabilityReport_2023.pdf

(4.12.1.8) Comment

You may see Arçelik latest Sustainability Report for 2023 reporting year, prepared in line with GRI, IIRC, WEF Stakeholder Capitalism Metrics and in light of IFRS ISSB and EU CSRD. Arçelik is preparing this report voluntarily since it is not under any legal obligations to publish a report with a certain format yet. The report includes Arçelik's overall sustainability strategy, corporate governance and business model as well as its targets, performance and actions in environmental, social and governance areas. From the report, you may see Arçelik's climate change, forest, water and biodiversity-related strategies, governance mechanisms, targets, realized figures, risks and opportunities, content of policies, value chain engagement and dependencies and impact.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA STEPS (previously IEA NPS)

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

Stakeholder and customer demands

☑ Consumer sentiment

☑ Consumer attention to impact

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Global targets

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify **:**Increasing costs to design and produce energy efficient appliances

Direct interaction with climate

☑ Other direct interaction with climate driving forces, please specify **:**Disruptions due to physical risks at own operations and supply chain

Macro and microeconomy

☑ Other macro and microeconomy driving forces, please specify **:**Increased global warming leading to decreased GDP, slowdown in the economy from increased extreme weather events, increasing pandemics disrupting business, inflation hikes and increased material costs coupled with decreased consumer spending

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Assumptions for IEA STEPS transition scenario are as follows: • Increased global warming leading to decreased GDP, slowdown in the economy from increased extreme weather events, increasing pandemics disrupting business, inflation hikes and increased material costs coupled with decreased consumer spending • Rise of middle-income consumers in the APAC and Africa region and increased demand for ACs and refrigerators in a continuously warming climate • Slower access to electricity in regions where there is already no access to electricity compared to SDS/NZE Scenarios • Cost of carbon not to increase as rapidly as in SDS/NZE Scenarios, carbon tax mechanisms to be delayed • Voluntary carbon markets to be still significant but at a lower cost • Arçelik to incur increased costs due to increase in physical risks-disruption at own operations and supply chain • Delay in minimum energy efficiency regulations in developing regions where we intend to grow • Increasing costs to design and produce energy efficient appliances Uncertainties and constrains for IEA STEPS Scenario are as follows: • Customer will demand more energy efficient appliances, but it is not clear whether they would pay more

(5.1.1.11) Rationale for choice of scenario

In order to outline a diverse set of outcomes, Arçelik uses two alternative scenarios: i) IEA STEPS scenario allows us to see the likely picture in a mid-scenario between business as usual with no or minimal change in emissions reductions leading to a global warming of approximately 2.5 degrees and delayed regulations that does not meet Paris Agreement promises to limit global warming in line with 1.5C ii) IEA SDS scenario allows us to see the impact when the business is keeping global warming in line with a well below 2-degree goal. This helps us to prepare for a world where physical risks are limited but the required efforts for a transition to a low-carbon economy are putting responsibility into corporate operations. This scenario is chosen to better analyze effects of regulations such as ETS, CBAM and rising importance of carbon markets.

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

☑ Market

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2080

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Sensitivity of capital (to nature impacts and dependencies)

Direct interaction with climate

☑ On asset values, on the corporate

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

According to both WRI Aqueduct Water Risk Atlas and TruCost methodology, water stress is the most significant physical risk item for Arçelik and its suppliers. Arcelik in-house team conducted a location-based scenario analysis on water stress risks. Using WRI Aqueduct water risk atlas, Arcelik team assessed the current situation of water stress at each location. Upon this, the team analyzed three scenarios for the year 2030, 2050 and 2080 as optimistic, moderate and pessimistic. Fue to the level of uncertainties, 2030 forecasts are focused on and Arçelik's production locations are identified according to their likelihood of being under "High" and "Extremely High" water stress for the year 2030. The possible disruption in operations due to lack of water needed in the production process tried to be foreseen. According to the scenario analysis, High Water Risk Locations are: Washing Machine Plant, Istanbul, Türkiye Refrigerator Plant, Rayong, Thailand BEKO LLC Refrigerator and Washing Machine Plant, Kirzhach, Russia Arctic Refrigerating Appliances Plant, Gaesti, Romania Arctic Washing Machine Plant, Ulmi, Romania. These operations correspond to 25% of Arçelik's total water consumption. The locations that are projected to be under Extremely High Water Risk are: Refrigerator Plant, Eskişehir, Türkiye Compressor Plant, Eskişehir, Türkiye Refrigerator Plant, Manisa, Türkiye Washing Machine Plant, Manisa,Türkiye Dishwasher Plant, Ankara, Türkiye Hitachi Washing Machine Plant, Shanghai, China Hitachi Refrigerator Plant, Kabin Buri, Thailand Hitachi Washing Machine Plant, Kabin Buri, Thailand Washing Machine and Refrigerator Plant, Karachi, Pakistan Cooking Appliances and A/C Plant,Karachi, Pakistan Refrigerator Plant, Dhaka, Bangladesh TV, Air Conditioning and Washing Machine Plant, Dhaka, Bangladesh Voltbek Refrigerator Plant, Gujarat, India. These operations correspond to 73% of Arçelik's total water consumption. Arçelik team also worked on an estimation of production loss due to water stress and its possible financial burden on the company if no precautions are taken. On the other hand, Arçelik has a target to increase water recycling ratio to 70% in global operations as of 2030 and Arçelik has collected a signed commitment letter from its core suppliers to have set publicly available water reduction/recycling targets. These are the opportunities that Arçelik has under this high water stress scenario to minimize its business risks.

(5.1.1.11) Rationale for choice of scenario

Arçelik chose this scenario in order to analyze its water-related risks and possible discontinuities in production that might be faced in 2030 due to lack of water availability. The rationale for choosing this scenario is to estimate any potential effect of water stress on company's production and related financial impact. Since this scenario allows us to see our production plants that are likely to be under "high" and "extremely high" water stress, it allows us to prepare for water shortages and set road maps. In order to prepare a risk adaptation plan, the results of the water stress risk analysis and a prior study conducted in 2019 as part of International Finance Corporation's (IFC) Water Efficiency Project have been taken into consideration. As a result, the following targets were set: By 2030; • Reduce water withdrawal per product by 45% in all manufacturing facilities from 2015 baseline • Increase the water recycling and reuse ratio to 70% in all manufacturing facilities*

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA SDS

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

Stakeholder and customer demands

☑ Consumer sentiment

Regulators, legal and policy regimes

☑ Global regulation

Direct interaction with climate

☑ On asset values, on the corporate

Macro and microeconomy

☑ Other macro and microeconomy driving forces, please specify **:**Inflation hikes expected to continue in the near future, Rise of middle-income consumers and access to electricity in in the APAC and Africa region, 50% of population increase coming in Africa in 2050

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

• Scenario in line with RCP 2.6, keeping global warming in line with a well below 2-degree goal • Energy related SDGs are assumed to be met and current net zero pledges to be achieved • Arçelik's climate transition risks are increased, climate adaptation risks are minimized • Less global economic losses due to global warming compared to a STEPS scenario • Inflation hikes expected to continue in the near future • Increasing raw material costs • Rise of middle-income consumers and access to electricity in in the APAC and Africa region increasing the demand for energy efficient appliances • 50% of population increase coming in Africa in 2050 creating a major market for Arçelik's growth • Increased carbon price, rapid introduction of ETS and minimum energy performance standards no later than 2025 in developing regions • Increased steel costs due to CBAM's entry into force in 2026 • Increased demand for carbon removal credits pushing voluntary removal credit prices up • Increased CAPEX needs of Arçelik as of 2025 to invest in renewable energy and energy efficient appliances

(5.1.1.11) Rationale for choice of scenario

IEA SDS scenario allows us to see the impact when the business is keeping global warming in line with a well below 2-degree goal. This helps us to prepare for a world where physical risks are limited but the required efforts for a transition to a low-carbon economy are putting responsibility into corporate operations. This scenario is chosen to better analyze effects of regulations such as ETS, CBAM and rising importance of carbon markets.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :S&P Trucost Carbon Pricing Risk Assessment has been applied to measure the impact of rising carbon prices for Arçelik's own activities and selected suppliers to understand to potential impact of transition to low-carbon economy

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Other finance and insurance driving forces, please specify **:**Projections of Arçelik revenue and OPEX

Regulators, legal and policy regimes

☑ Global regulation

☑ Methodologies and expectations for science-based targets

Direct interaction with climate

☑ On asset values, on the corporate

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Arçelik has outsourced S&P to conduct climate-related transition risk analysis in terms of policy risk for its own activities as well as its selected suppliers to understand to potential impact of transition to low-carbon economy and to measure the impact of rising carbon prices on Arçelik financial performance based on different scenarios and timelines. Based on 2020 baseline, a qualitative and quantitative analysis has been conducted for 2030 and 2050. Carbon prices have been assumed according to Carbon Price Database of current carbon taxes, emissions trading schemes and fuel taxes in over 100 geographies. Projections of Arçelik revenue, OPEX and GHG emissions for future years have been made based on assumptions concerning future growth. In addition, the impact of rising carbon prices passing from the suppliers to Arçelik has been considered.

(5.1.1.11) Rationale for choice of scenario

Arçelik chose this scenario to see its risks and opportunities in a 1,5 degree world and identified these as follows: Risks: • Rise in green electricity prices and availability of green electricity in countries where Arçelik operates • Impact on the company's exports from the non-EU countries to the EU due to cost increases in Arçelik's key production inputs such as steel coming from regulations such as EU Green Deal and CBAM • Possible introduction of an ETS mechanism • Cost up per product to innovate more energy efficient appliances to meet 2030 Science Based Targets • Costs associated with reducing logistics emissions in the value chain and helping suppliers transform to a low carbon economy • Rise in voluntary carbon removal credit prices. Opportunities: • Arçelik has publicly available global 2030 Science Based Targets and committed to set a SBTi Net Zero 2050 • Arçelik has a supplier sustainability transformation strategy and collected a signed commitment letter from 166 of its core suppliers to set GHG reduction targets.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP5

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical
☑ Policy
☑ Market

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 3.5ºC - 3.9ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2030
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Changes to the state of nature
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Sensitivity of capital (to nature impacts and dependencies)

Regulators, legal and policy regimes
☑ Level of action (from local to global)

Direct interaction with climate
☑ On asset values, on the corporate

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

• Increased global warming leading to decreased GDP, slowdown in the economy from increased extreme weather events, increasing pandemics disrupting business, inflation hikes and increased material costs coupled with decreased consumer spending • Increased demand for ACs and refrigerators in a continuously warming climate • Carbon tax, voluntary carbon markets and similar mechanisms lost importance • Arçelik's operational expenses are likely to be increased due to disruption at own operations and supply chain resulting from extreme weather events

(5.1.1.11) Rationale for choice of scenario

Arçelik chose RCP 8.5 scenario in order to predict the business case in a very high baseline emission scenario where the international trends put the competitive markets in the center. This allowed Arçelik to gain insights into a world of almost no climate change-related policies adopted globally where the climate transition-related burden will be relatively less compared to other scenarios. On the other hand, the disruptive physical effects of climate change are likely to be more common and severe and Arçelik uses this scenario to be prepared for these conditions.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ Customized publicly available climate physical scenario, please specify :S&P Trucost Climate Change Physical Risk Analytics has been applied. An asset level approach has been adopted for RCP 2.6, 4.5 and 8.5 climate scenarios to model the magnitude and the potential impact of both acute and chronic risks.

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Sensitivity of capital (to nature impacts and dependencies)

Direct interaction with climate

☑ On asset values, on the corporate

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

S&P Trucost Climate Change Physical Risk Analytics has been applied to measure Arçelik's physical risks in terms of adaptation scenarios for its own operations and selected suppliers based on a 2020 baseline, predicting the impact on the years 2030 and 2050. RCP 2.6, 4.5 and 8.5 climate scenarios have been taken into consideration. Private Trucost owned datasets as well as other datasets including but not limited to WRI Aqueduct, CMIP5 multi model average, NOAA and Climate

Central have been used • Seven key climate change physical hazards have been considered: flood, water stress, heatwave, cold wave, hurricanes, sea level rise and wildfires. The below mentioned factors have been considered to calculate the risks related to Arçelik and its value chain: • Excess Heat Factor (EHF) and Excess Cold Factor (ECF) Index to measure heatwave occurrence and intensity • Baseline Water Stress Index to measure total water withdrawals to the available water sources • Burnt Area in terms of wildfires, Riverine Flood Risk in terms of floods • Coastal Inundation in terms of sea level rise • Hurricane Index to measure the frequency and intensity of hurricanes 5 analytical approaches have been considered: • Climate Hazard Mapping • Physical Asset Geolocation and Corporate Ownership Mapping • Asset and Company Level Physical Risk Scoring • Revenue Exposure Based on Physical Risk Estimation • Composite Score Calculation. According to the S&P analysis, Arçelik and its suppliers are exposed to a moderate level of physical risk with greatest exposure to water stress, heat wave and cold wave

(5.1.1.11) Rationale for choice of scenario

The reason why Arçelik chose to use this scenario is to see the impact of physical climate risks on Arçelik's business operations in a low temperature rise scenario and identify the risks and opportunities in such a scenario. As a result, it is concluded that Arçelik and its suppliers are exposed to a moderate level of physical risk with greatest exposure to water stress, heat wave and cold wave. As an opportunity, Arçelik has a target to increase water recycling ratio to 70% in global operations as of 2030. At the supplier level, Arçelik has collected a signed commitment letter from its core suppliers to have set publicly available water reduction/recycling targets
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply
☑ Risk and opportunities identification, assessment and management
☑ Strategy and financial planning
☑ Resilience of business model and strategy
☑ Capacity building
☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:
☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

i) According to the analysis conducted with IEA STEPS, there is a risk of us not being able to reflect increasing costs of products stemming from eco-efficiency applications to consumers, leading to profitability risk. This outcome influenced the following processes inside Arçelik: -Risk and opportunities identification, assessment and management process: As can be seen from our 2023 Sustainability Report, page 197, a risk calculation has been made for the potential impact where Arçelik faces cost up per product which might reduce its competitiveness in the market in order to meet its SBTs. The calculations represent a maximum cumulative risk until 2029 worth of TRY 891,845,381. -Capacity building: Arçelik enhanced efforts to increase its resilience against the risk of not being able to reflect the prices on sales. This created a catalysis to highlight the importance of investing in R&D. Because by investing in R&D, Arçelik builds a capacity to produce energy-efficient products with lower cost-ups, which will allow us to put energy-efficient products on the market with relatively lower price increase. -Resilience of business model and strategy: Arçelik prioritizes R&D activities and makes financial planning to invest in R&D for eco-efficient products under the light of this scenario analysis. R&D spending for energy-efficient products in 2023 was recorded as TRY 796,379,176. ii)The outcome of the IEA SDS analysis highlights that there will be an increase in carbon taxes and the cost of steel. This will impact Arçelik's profitability. This outcome influenced the following processes inside Arçelik: -Risk and opportunities identification, assessment and management processes: The risk assessment for the taxes related to the embedded emissions from steel due to the Carbon Border Adjustment Mechanism (CBAM) has been conducted. This can be seen from our 2023 Sustainability Report, page 197. Arçelik foresees the financial risk it bears for the year 2026 when the CBAM will be in force will reach a maximum of TRY 171,205,512 and this cost will increase as the free allowances decrease. -Strategy and financial planning: The use of green steel is considered as an alternative scenario and the potential financial impact is calculated as TRY 226,448,480 as can be seen from our 2023 Sustainability Report, page 197. iii)Based on the outcome of the - 1.5C aligned customized publicly available transition scenario, there is a possible introduction of an ETS mechanism. This outcome influenced the following processes inside Arçelik: - Risk and opportunities identification, assessment and management processes: Arçelik identified the risk of being subject to carbon tax as of 2030 and calculated the estimated financial impact of this. This can be seen from our 2023 Sustainability Report, page 199. There might be a maximum additional TRY 263,724,618 carbon tax cost of Arçelik in the year 2030. -Strategy and financial planning: Arçelik invests in green electricity certificates, energy efficiency projects and renewable energy in order to decrease its Scope 1-2 emissions and minimize the implications of carbon taxes. -Target setting and transition planning: Arçelik has the targets to establish renewable energy systems with 50 MW capacity, use 100% green electricity in all manufacturing facilities, make a minimum USD 50 million investment in renewable energy and energy efficiency and Reduce Scope 1-2 GHG emissions by 42% by 2030.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Arçelik used the WRI Aqueduct and Customized Publicly Available Physical Scenario, and the outcome of these scenarios revealed that Arçelik and its suppliers are exposed to a moderate level of physical risk with greatest exposure to water stress, heat wave and cold wave. Also, certain locations are likely to be under extremely high-water stress in 2030. This led Arçelik to consider the following: -Risk and opportunities identification, assessment and management: Based on the scenario, locations that are expected to be under "Extremely High" water stress category are evaluated to face potential production disruptions and the maximum potential financial impact is calculated as TRY 329,894,184 for the year 2030. This can be seen from our 2023 Sustainability Report, page 198. -Strategy and financial planning: Arçelik considered the potential financial implications of the outcome of the scenario analysis and in order to minimize the future risks, it puts even more emphasis on the water recycling and reuse efforts. To achieve this, Arçelik makes expenditure for sustainable water management. -Resilience of business model and strategy: Arçelik puts effort to increase the resilience against the outcome of this scenario analysis. As an example, in 2023, we saved a total of 288,973 m3 of water, thanks to water efficiency and rainwater harvesting projects carried out at various locations. You may see the details of the project on page 47 of our 2023 Sustainability Report. -Target setting and transition planning: As an implication of the outcome of the scenario, Arçelik has a target to increase water recycling ratio to 70% in global operations as of 2030. At the supplier level, Arçelik has collected a signed commitment letter from its core suppliers to set publicly available water reduction/recycling targets.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

Arçelik's 2050 Net Zero Roadmap in Detail: Scope 1&2: • Energy efficiency projects • Improving energy efficiency in buildings and LEED certified manufacturing facilities • Increasing the number of ISO 50001 EnMS certified factories and doubling economic output for every unit of energy consumed • Electrification in manufacturing • Low GWP refrigerant usage in manufacturing • Transition to electric cars and forklifts • Use of green hydrogen where possible (to be considered after 2030) • Making significant investment to achieve the 2030 target to reach 50 MW renewable energy capacity before deadline and starting to work towards surpassing 100 MW capacity by 2050 • Aiming for 100% renewable electricity with renewable energy systems for self-consumption and EACs and PPAs in all manufacturing facilities • Using more renewable thermal energy in manufacturing facilities Scope 3 Emissions From Use Phase of Products: • Increasing penetration of super energy-efficient products globally • Increasing penetration of solar-powered refrigerating appliances • Accelerating the phase out of high GWP refrigerants with the transition of low GWP refrigerant in all our products • Increased R&D for efficient and affordable products • Using refrigerators comprising low thermal conductivity insulators (

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place

(5.2.8) Description of feedback mechanism

In addition to sharing/voting our 1.5C aligned transition plan at AGMs, we receive questions/opinions from our shareholders or investors and arrange meetings for their feedback about our climate-related transition plans and reports. We also inform the shareholders during the management meetings regarding our climate transition targets, road map and plans.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

The successful trajectory of our transition plan will be impacted by several factors which include but are not limited to • Being able to penetrate to a wider market with super energy-efficient products by making them more affordable and creating awareness on the customers to prefer these products, • Availability of sustainable finance instruments that will support the transition process, • Availability of the use of green hydrogen, • Increase in the biofuel alternatives and electric vehicles for shipments, • Increasing supplier awareness and collaboration on emission reduction and climate change mitigation strategies

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

We submitted our new near-term and net-zero targets which are aligned with the 1.5C climate scenario to the Science Based Targets Initiative (SBTi). With the new near-term target, Arçelik commits to reduce its absolute Scope 1 and Scope 2 emissions by 42% 2030 from a 2022 base year and reduce Scope 3 emissions from use of sold products 42% for the same period. In the scope of its long-term net-zero target, Arçelik commits to reduce absolute Scope 1, Scope 2, and Scope 3 GHG emissions 90% by 2050 from a 2022 base year. We aim to do this by taking challenging innovative actions in our entire value chain. As of the end of 2023, which is the current reporting year, Scope 1-2 GHG emissions were reduced by 4% compared to 2022. However, Scope 3 GHG emissions from use of sold products increased by 6%. The increase stems from the newly integrated data from the sales of certain products into the existing emissions data. In order to achieve these targets, the following steps are aimed: - Implement energy efficiency projects (In 2023, we have carried out a total of 373 energy-saving projects at production sites, resulting in a total energy conservation of around 95,680 GJ. As a result of our enhanced efficiency, we have been able to avoid emitting 6,983 tCO2e) - Increase the number of ISO 50001 EnMS certified factories (In 2023, 78% of manufacturing facilities have ISO 50001) - Double economic output for every unit of energy consumed (Target achieved in 2023) - Make significant investment to achieve the 2030 target to reach 50 MW renewable energy capacity (As of the end of 2023, 20.3 MW (cumulated)) - Increase number of suppliers setting GHG emission reduction targets (As of the end of 2023, data collected from 253 suppliers 166 suppliers' commitment to set their own targets) - Require ISO14001 Environmental Management Systems Certificates and ISO 50001 Energy Management Certificates from certain suppliers (As of the end of 2023, 79% of our purchasing volume of supplier have ISO 140001 and 19% of our purchasing volume of suppliers exceeding 1,000 ToE have ISO 50001 certificates) - Increasing penetration of super energy-efficient products globally, including developing and emerging countries without energy regulation and increasing R&D for efficient products (In 2023, 50.2% of the total turnover is obtained from energy efficient products)

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

climate_change_strategy.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ Forests

☑ Plastics

☑ Water

☑ Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

In line with our policy and sustainability approach, we set our targets and manage our water performance via international management systems. In addition, the following targets were set: By 2030; • Reduce water withdrawal per product by 45% in all manufacturing facilities from 2015 baseline • Increase the water recycling and reuse ratio to 70% in all manufacturing facilities. We are committed to no gross deforestation from our operations' activities by 2050. As a part of this, we commit to the following: • Continue to only use paper/cardboard/ wooden packaging from more sustainable sources certified by global third-party certification systems such as FSC or Program for the Endorsement of Forest Certification (PEFC) for our products packaging. • Using at least 80% recycled cardboard outer boxes for our own

product boxes by 2030. • Decreasing wooden plate consumption for our own product packaging to 5% by 2030. • Monitor the supply chain to encourage no deforestation and • Having enabled our significant suppliers to switched to recycled cardboard outer boxes for at least 80% of their products. As a signatory to the Business World Plastics Initiative, we have plastic-related commitments to prevent the usage of disposable plastic and apply circular economy practices to reduce waste. We have set a target to increase recycled plastic content to 40% in products by 2030. In 2023, 977 tonnes of plastic was reduced compared to previous model material usage in 2022 and 16,543 tonnes of recycled plastics was used. The most prominent innovations that are applied to products are recycled waste PET bottles, waste fishnets, waste industrial tread, and recycled plastic produced by the recycling of Arçelik's packaging waste. Being aware of the vital importance of natural ecosystems for all of us, we aim to protect biodiversity through initiatives towards our commitments. Arçelik aims to work to improve biodiversity footprint towards No Net Loss as of 2050 especially in selected priority areas such as areas in close proximity to key biodiversity areas. We prioritized our manufacturing facility in Ulmi, Romania, since Arçelik has a manufacturing facility on an area that is adjacent to a Natura 2000 area. We have the ambition to improve the biodiversity on the site of Ulmi factory by implementing actions to reduce pressures and support the natural development of habitats by 2027.
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The lack of energy efficiency regulations where Arçelik operates outside the EU creates an ambiguity in the market and consumers' willingness to pay extra for more energy-efficient products. This is a risk for Arçelik since it has Science Based Targets and needs to increase the proportion of energy-efficient product which might reduce its competitiveness in the market. The average sales prices in the market might not increase and the risk for Arçelik to lose profitability will arise due to its increasing costs. This affected Arçelik's strategy in short-medium term in a way to focus on investing heavily in R&D to produce the resource efficient appliances more efficiently and present them to the customers at a lower cost as a response to the risk. In addition, Arçelik holds an opportunity since it already has a wide energy-efficient product portfolio and is already making energy-efficient product sales. Arçelik also had the opportunity of investing in innovation for energy efficient products with more favorable financing options thanks to green financing. In order to realize this opportunity, Arçelik's strategy has been impacted in a way to continuously working on energy performance improvements in products via R&D studies.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In the upstream value chain, emerging Carbon Border Adjustment Mechanism (CBAM) presents a risk for Arçelik. Arçelik has washing machine and a refrigerator production facilities in Romania under the operations of its subsidiary named as Arctic. A certain percentage of the steel used in production is imported from outside of the EU. Arctic, as an importer (reporting declarant) will have an obligation to report the volume and the embedded emissions on the imported steel in the transition phase. From 2026 onwards, CBAM certificates will need to be purchased over the respective EU ETS price. This is a risk for Arçelik in the upstream operations while supplying steel due to additional cost. This affected Arçelik's strategy to consider the use of green steel as an alternative scenario in the medium-long term. Arçelik made a scenario analysis in line with this. On the other hand, Arçelik also has opportunities regarding its value chain in terms of climate change. Many of Arçelik's suppliers upstream and downstream suppliers are willing to take steps to improve their climate performance. In order to realize this opportunity Arçelik modified its supplier engagement strategy in a way to incorporate an ESG Program. Supplier ESG Program enables Arçelik to work with suppliers to improve their performance and set publicly available long-term targets on emissions, water, waste and energy performance.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Transition risk-related issues to climate change such as CBAM, ETS etc. bring the risk of additional costs for Arçelik's products and processes. In order to minimize these risks, Arçelik focuses more on investment in R&D. As a part of this, Arçelik invests heavily in R&D to produce the resource efficient appliances more efficiently and present them to the customers at a lower cost. Arçelik also prioritizes the investment in R&D as a response to the perceived opportunities regarding its portfolio consisting of products with less negative environmental impact. In order to be able to realize the opportunity of growing demand for energy-efficient products, Arçelik continuously works on energy performance improvements in products via R&D studies. Arçelik made a total of TRY 796,379,176 R&D spending for energy-efficient products in 2023 alone.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

According to the risks analyses, Arçelik's certain locations are identified to be under high water stress. Arçelik considers this as a risk to the continuity of its operations. The strategy is affected by this risk and Arçelik makes expenditures for sustainable water management efforts. As an opportunity during its direct operations, Arçelik has the capability to benefit from green financing options with its sustainability efforts and publicly available targets and commitments. Arçelik's strategy leaned towards realizing this opportunity and Arçelik made expenses to receive auditing services related to green loan and green bonds agreements.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Indirect costs

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Regulation on CBAM entered into force in 2023 and will take effect with a transition period until the end of 2025. In this context, importers of certain emission-intensive inputs to the EU will have obligations to report on imported goods, embedded and indirect emissions. Arçelik has a washing machine and a refrigerator production facility in Romania under the operations of its subsidiary named as Arctic. A certain percentage of the steel used in production is imported from outside of the EU. From 2026 onwards, CBAM certificates will need to be purchased. If no action is taken, Arçelik's indirect costs will be affected and this is being considered during the financial planning. Arçelik's financial planning is also affected by the Carbon Pricing risk. Currently, we do not have any financial obligations under any carbon pricing mechanism, as there are no carbon pricing mechanisms in place in the countries we operate in for our industry. On the other hand, increasing decarbonization efforts accelerate the use of these mechanisms. If we get involved in such mechanisms, our indirect cost might be impacted. This is taken into account in financial planning. On the other hand, Arçelik also holds an opportunity since it has a plan to establish renewable energy systems with 50MW capacity and a target of increasing the green electricity ratio to 100% in all countries where we have production facilities by 2030. Thanks to Arcelik's renewable energy investments and road plan, Arçelik will have reduction from green electricity certificate cost and reduce carbon tax risk. This will create a positive impact on the indirect costs. This is taken into account in financial planning.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Direct costs

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Arçelik committed to being a Net Zero company in 2050 according to the SBTi Net Zero Standard. Producing resource-efficient products is critical in order to meet the SBTs. On top of investing in R&D to produce the appliances more efficiently, Arçelik's prıduction costs might also be impacted in order to be able to produce more energy-efficient products. This might create an impact on the direct costs and this is taken into account in financial planning. On the other hand, Arçelik also has opportunities since it has a concrete roadmap for renewable energy investments. By increasing the proportion of electricity need that is met from its renewable resources instead of the grid, Arçelik will decrease its direct costs. This is taken into account in financial planning.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Access to capital

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Green financing tools present the opportunity of lower interest rate compared to conventional debt instruments. As Arçelik, we benefit from EUR 350 million green bond and a EUR 150 million green loan. The green financing provided to Arçelik shows the investor and financing institutions' confidence in Arçelik to execute its green transformation strategy. Arçelik's ESG claims have been backed by strong third-party credentials such as receiving the highest score in its sector in the Dow

Jones Sustainability Indices or being included in the Corporate Knights 100 Most Sustainable Companies List. This is an opportunity of access to capital for Arçelik and this is taken into consideration in financial planning. On the other hand, this is also a risk to Arçelik. In case the Company fails to keep up with its ESG commitments, there is a risk that Arçelik might lose its credibility. This might decrease the appetite of investors to offer green financing. In such a scenario, Arçelik might incur a potential increase in the cost of borrowing and access to favorable financing options. This is taken into account in financial planning.

Row 4

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Arçelik concluded that some of its operation locations might be under high water stress in 2030 according to in-house calculations conducted based on scenario analysis. This brings the risks of discontinuity in production. Potential financial impact is calculated considering the loss of gross profit due to the lack of water needed for production in 2030. This will have a negative impact on revenues and this is taken into account in financial planning. On the other hand, with the growing importance of climate-related risks, consumers' awareness and sensitivity regarding the low carbon footprint is increasing. This leads consumer to demand and prefer more energy and water-efficient household products and creates a financial opportunity of increasing sales of these product groups. Arçelik holds an opportunity since it already has a wide energy and water-efficient product portfolio and is already generating revenue. Arçelik obtained TRY 129,121,375,268 from energy and TRY 1,905,311,747 from water-efficient products in 2023. Arçelik also had the opportunity of investing in innovation for energy-efficient products with more favorable financing options thanks to green financing. This already has a positive impact on Arçelik's revenue and is expected to do so. This is taken into account in financial planning.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: ☑ Yes	*Select all that apply* ☑ A sustainable finance taxonomy	*Select from:* ☑ At both the organization and activity level

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ Revenue/Turnover

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

36502000000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

14

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

15.1

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

17.7

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

52

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

48

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

The EU Taxonomy reporting published Arcelik Sustainability Report 2023 was prepared based on the EU Taxonomy (EU 2020/852) and Delegated Act (EU 2021/2139). Turnover is equal to Arcelik's total net sales during that fiscal year. The primary economic activities based on NACE of Arcelik,a manufacturer of energy efficiency equipment for buildings. Arcelik’s eligible economic activities are household appliances including dryer, dishwasher, freezer& refrigerator, oven, hood, televisions, washer dryer, washing machine, space heating and domestic hot water systems, cooling and ventilation systems rated the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, heat pumps compliant with the technical screening criteria set out in Section 4.16 of Taxonomy Annex. The mentioned product groups above sold to the member states of the European Union, Great Britain, Norway, Switzerland, Albania, Bosnia and Herzegovina, Iceland, Kosovo, Montenegro, Macedonia, Serbia, Ukraine and Türkiye markets are assessed as taxonomy eligible. The energy labelling standards in these countries comply with Regulation (EU) 2017/1369. Only products sold by Arçelik’s own brands are included. Taxonomy-aligned refers to mentioned above product groups have highest two populated energy classes in the EU market. Taxonomy eligible, but not aligned refers to mentioned above product groups have not highest two populated energy classes in the EU market.Also products, brands, and markets not mentioned above are classified as taxonomy non-eligible activities. Turnover is the proportion of net turnover that is derived from Taxonomy-aligned products, which equals total net sales. The taxonomy-eligible turnover in the 2023 financial year amounted to TRY 133,143 million, or 52% of total turnover. The share of taxonomyaligned turnover, again in relation to the total turnover, amounts to 14%. Taxonomy aligned turnover increased by 4% compared to last year. The main reason for this is the increased sales of energy efficient products in washing machines and tumble dryers. The EU taxonomy currently applies to only 52% of our net sales, as it depends on EU energy labels and regulations that are limited to some countries and do not cover all product categories. However, we expect our taxonomy-aligned percentage to increase each year, as we need to raise the percentage of energy-efficient product sales annually to meet our SBTi net zero target. When predicting the percentages of taxonomy aligned turnover in 2025 and 2030, we have made forecasts based on long-term market analyses/plans and the roadmap developed to achieve our near term target. Additionally, the changes in energy labels for products such as dryers and ovens have been taken into account in these calculations. Accordingly, we plan to increase our taxonomy-aligned turnover to 15.1% in 2025 and 17.7% in 2030.

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:
☑ Yes

(5.4.1.5) Financial metric

Select from:
☑ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

1552000000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

11

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

13.4

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

16.2

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

47

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

53

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

The EU Taxonomy reporting published Arcelik Sustainability Report 2023 was prepared based on the EU Taxonomy (EU 2020/852) and Delegated Act (EU 2021/2139). CapEx equals total cash outflows from purchases of property, plant and equipment and intangible assets of Arcelik. The primary economic activities based on NACE of Arcelik,a manufacturer of energy efficiency equipment for buildings. Arcelik’s eligible economic activities are household appliances including dryer, dishwasher, freezer& refrigerator, oven, hood, televisions, washer dryer, washing machine, space heating and domestic hot water systems, cooling and ventilation systems rated the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, heat pumps compliant with the technical screening criteria set out in Section 4.16 of Taxonomy Annex. The mentioned product groups above sold to the member states of the European Union, Great Britain, Norway, Switzerland, Albania, Bosnia and Herzegovina, Iceland, Kosovo, Montenegro, Macedonia, Serbia, Ukraine and Türkiye markets are assessed as taxonomy eligible. The energy labelling standards in these countries comply with Regulation (EU) 2017/1369. Only products sold by Arçelik’s own brands are included. Taxonomy-aligned refers to mentioned above product groups have highest two populated energy classes in the EU market. Taxonomy eligible, but not aligned refers to mentioned above product groups have not highest two populated energy classes in the EU market.Also products, brands, and markets not mentioned above are classified as taxonomy non-eligible activities. Where turnover is aligned, the CapEx is related to Arçelik investments in assets used to manufacture Taxonomy-aligned products. The taxonomy-eligible CapEx in 2023 financial year amounted to TRY 6,482 million, or 47% of total CapEx. The share of taxonomy-aligned CapEx, again in relation to the total CapEx, amounts to 11%. Taxonomy aligned CapEx increased by 8% compared to 2022. The main reason for this is to be able to dedicate more investments for manufacturing facilities in the scope and make a distribution based on sales, not the production quantity. To meet our net zero emissions target, we need to increase the number of energy-efficient products each year. Based on our market analyses, long-term plans, and changes in regulations, we have calculated the percentage of taxonomy-aligned CapEx for 2025 and 2030. This calculation also incorporates forecasts from our R&D and production teams for investments in the first two energy classes of the products.Accordingly, we plan to increase our taxonomy-aligned CapEx to 13.4% in 2025 and 16.2% in 2030.

Row 3

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

232000000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

12

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

12.2

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

13.3

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

50

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

50

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

The EU Taxonomy reporting published Arcelik Sustainability Report 2023 was prepared based on the EU Taxonomy (EU 2020/852) and Delegated Act (EU 2021/2139). Total OpEx equals to only R&D expenditures. The reason for applying this methodology is that the other categories including general administrative and marketing expenses that make up operating expenditures are not material within the EU Taxonomy Reporting Framework. The primary economic activities based on NACE of Arcelik,a manufacturer of energy efficiency equipment for buildings. Arcelik's eligible economic activities are household appliances including dryer, dishwasher, freezer& refrigerator, oven, hood, televisions, washer dryer, washing machine, space heating and domestic hot water systems, cooling and ventilation systems rated the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, heat pumps compliant with the technical screening criteria set out in Section 4.16 of Taxonomy Annex. The mentioned product groups above sold to the member states of the European Union, Great Britain, Norway, Switzerland, Albania, Bosnia and Herzegovina, Iceland, Kosovo, Montenegro, Macedonia, Serbia, Ukraine and Türkiye markets are assessed as taxonomy eligible. The energy labelling standards in these countries comply with Regulation (EU) 2017/1369. Only products sold by Arçelik's own brands are included. Taxonomy-aligned refers to mentioned above product groups have highest two populated energy classes in the EU market. Taxonomy eligible, but not aligned refers to mentioned above product groups have not highest two populated energy classes in the EU market.Also products, brands, and markets not mentioned above are classified as taxonomy non-eligible activities. Where turnover is aligned, the OpEx is related to Arçelik R&D expenses of Taxonomy-aligned products. The taxonomy-eligible OpEx in 2023 financial year amounted to TRY 970,387 million, or 50% of OpEx. The share of taxonomy-aligned OpEx, again in relation to the OpEx, amounts to 12%. Taxonomy aligned OpEx increased by 10% compared to 2022. The main reason for this is the change in methodology. In 2022, the denominator included all consolidated OpEx of Arçelik, while in 2023, only R&D expenditures were included in the denominator. To meet our net zero emissions target, we need to increase the number of energy-efficient products each year. Based on our market analyses, long-term plans, and changes in regulations, we have calculated the percentage of taxonomy-aligned OpEx for 2025 and 2030..Accordingly, we plan to increase our taxonomy-aligned OpEx to 12.2% in 2025 and 13.3% in 2030.
[Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Row 1

(5.4.2.1) Economic activity

Select from:

☑ Manufacture of energy efficiency equipment for buildings

(5.4.2.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

☑ Taxonomy-aligned

(5.4.2.4) Financial metrics

Select all that apply

☑ Turnover

☑ CAPEX

☑ OPEX

(5.4.2.5) Types of substantial contribution

Select all that apply

☑ Activity enabling mitigation

(5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

36502000000

(5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

14

(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

14

(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

(5.4.2.13) Taxonomy-aligned CAPEX from this activity in the reporting year (currency)

1552000000

(5.4.2.14) Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

11

(5.4.2.15) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

11

(5.4.2.16) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

(5.4.2.20) Taxonomy-aligned OPEX from this activity in the reporting year (currency)

232000000

(5.4.2.21) Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

12

(5.4.2.22) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

12

(5.4.2.23) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

(5.4.2.27) Calculation methodology and supporting information

According to reporting obligations and timeline, Arçelik is currently not within the scope of the Taxonomy regulation. However, Arçelik has voluntarily reported the taxonomy mapped its eligibility and alignment to the EU Taxonomy. The reporting published in Arcelik Sustainability Report 2023 was prepared based on the EU Taxonomy (EU 2020/852) and Delegated Act (EU 2021/2139). The primary economic activities based on NACE of Arcelik,a manufacturer of energy efficiency equipment for buildings. Arcelik's eligible economic activities are household appliances including dryer, dishwasher, freezer& refrigerator, oven, hood, televisions, washer dryer, washing machine, space heating and domestic hot water systems, cooling and ventilation systems rated the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, heat pumps compliant with the technical screening criteria set out in Section 4.16 of Taxonomy Annex. The mentioned product groups above sold to the member states of the European Union, Great Britain, Norway, Switzerland, Albania, Bosnia and Herzegovina, Iceland, Kosovo, Montenegro, Macedonia, Serbia, Ukraine and Türkiye markets are assessed as taxonomy eligible. The energy labelling standards in these countries comply with Regulation (EU) 2017/1369. Only products sold by Arçelik's own brands are included. Taxonomy-aligned refers to mentioned above product groups have highest two populated energy classes in the EU market. Taxonomy eligible, but not aligned refers to mentioned above product groups have not highest two populated energy classes in the EU market.Also products, brands, and markets not mentioned above are classified as taxonomy non-eligible activities. Turnover is the proportion of net turnover that is derived from Taxonomy-aligned products, which equals total net sales. Where turnover is aligned, the CapEx is related to Arçelik investments in assets used to manufacture and the OpEx is related to Arçelik R&D expenses of Taxonomy-aligned products. The taxonomy-eligible turnover amounted to 52% of total turnover. The share of taxonomy-aligned turnover, again in relation to the total turnover, amounts to 14%.The taxonomy-eligible CapEx amounted to 47% of total CapEx. The share of taxonomy-aligned CapEx, again in relation to the total CapEx, amounts to 11%. The taxonomy-eligible OpEx amounted to 50% of OpEx. The share of taxonomy-aligned OpEx, again in relation to the total R&D OpEx, amounts to 12%.

(5.4.2.28) Substantial contribution criteria met

Select from:

☑ Yes

(5.4.2.29) Details of substantial contribution criteria analysis

The main technical screening criteria to climate change mitigation are based on the EU Energy Labelling Regulations for Arcelik' products. This product groups are household appliances including dryer, dishwasher, freezer& refrigerator, oven, hood, televisions, washer dryer, washing machine, space heating and domestic hot water systems, cooling and ventilation systems rated the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, heat pumps compliant with the technical screening criteria set out in Section 4.16 of Taxonomy Annex. The proportion of turnover, capex, and opex from products that are the most efficient energy classes on the market is presented in taxonomy-aligned tables. The mentioned product groups above sold to the member states of the European Union, Great Britain, Norway, Switzerland, Albania, Bosnia and Herzegovina, Iceland, Kosovo, Montenegro, Macedonia, Serbia, Ukraine and Türkiye markets are assessed as taxonomy eligible. The energy labelling standards in these countries comply with Regulation (EU) 2017/1369. Only products sold by Arçelik's own brands are included. Taxonomy-aligned refers to mentioned above product groups have highest two populated energy classes in the EU market. Taxonomy eligible, but not aligned refers to mentioned above product groups have not highest two populated energy classes in the EU market.Also products, brands, and markets not mentioned above are classified as taxonomy non-eligible activities.

(5.4.2.30) Do no significant harm requirements met

Select from:

☑ Yes

(5.4.2.31) Details of do no significant harm analysis

Arçelik's climate mitigation economic activities meet with the do no significant harm to the other environmental objectives including climate change adaptation, water and marine resources, circular economy, pollution, and biodiversity and ecosystems.Arçelik proactively identifies and addresses sustainability risks and opportunities by monitoring global, regional, and sectoral trends, climate scenarios, and stakeholder feedback. Integrating risks from the climate crisis and other ESG-related issues into our Enterprise Risk Management System is crucial for executing action plans aligned with our Net Zero 2050 and corporate sustainability strategy. We use scenario analysis to identify, evaluate, measure, and prioritize both physical and transition risks related to climate and other ESG factors. These sustainability risks, including physical and transition risks from climate change, are incorporated into our business decision-making processes.We also assess water risks in both manufacturing regions and areas where our suppliers operate. This helps us to enhance water recycling and reuse while reducing water withdrawal. The WRI Aqueduct Water Risk Atlas assists us in evaluating water risks globally, with annual reviews of the analysis results. Arçelik is committed to fostering a closed-loop circular economy by improving product recyclability, increasing the use of recycled materials, reusing products and components, eliminating harmful substances, and managing end-of-life processes, including take-back and recycling, effectively. We comply with EU directives and regulations and adhere to our "Arçelik Chemical Conformity Specification" for product procedures. Our business processes align with legal requirements and international management standards.Regarding biodiversity, we assess the risks associated with our operations to understand our impacts and dependencies on nature. We implement mitigation measures to prevent, minimize, and address factors that threaten biodiversity. Our long-term targets focus on reducing pressures from climate change, resource use, and pollution through specific goals related to water, energy, and greenhouse gas emissions.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:
☑ Yes

(5.4.2.33) Attach any supporting evidence

Arcelik_SustainabilityReport_2023.pdf
[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.1) Details of minimum safeguards analysis

Arçelik's Global Code of Conduct and Related Policies commit to comply with the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, UN Global Compact, UN Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights,

Women's Empowerment Principles and Worst Forms of Child Labour Convention and Universal Declaration of Human Rights. Arçelik complies with all these standards in all economic activities including the taxonomy-aligned ones. The ethics related issues are coordinated by the Global Compliance Department. A Human Rights Department has been formed to coordinate the global internal/external social audits of Arçelik factories as well as Arçelik suppliers, to determine actual and/or potential human rights related risks and to take necessary precautions/ corrective action plans. There are two committees that report the ethics/human rights related issues to the Board of Directors. The Global Ethics Committee is led by the CEO. The Human Rights Committee is led by the Chief Human Rights Officer. Koç Holding Consumer Durables President, who is in the Board of Arçelik, is responsible to report to the Board about activities of the Global Ethics Committee and Human Rights Committee. The actions taken to determine the ethics/human rights violations in own operations and in the value chain has enabled Arçelik to take precautions against potential risks. The public declaration of the audit findings has distinguished Arçelik among competitors as being one of the best examples in its industry.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

-

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☑ No

(5.4.3.4) Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Arcelik is a Turkish multinational household appliances manufacturer. Türkiye has not own Taxonomy Regulation. According to reporting obligations and the timeline of EU Taxonomy, Arçelik, not EU based company, is currently not within the scope of the Taxonomy regulation. However, Arçelik has voluntarily reported the taxonomy mapped its eligibility and alignment to the EU Taxonomy. The reporting published in Arcelik Sustainability Report 2023 was prepared based on the EU Taxonomy (EU 2020/852) and Delegated Act (EU 2021/2139). This reporting have not verified by third-party.
[Fixed row]

(5.9) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

403

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

50

(5.9.3) Water-related OPEX (+/- % change)

14

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

512

(5.9.5) Please explain

CAPEX includes water related investments such as equipment and building required for water related studies. CAPEX dramatically increased compared to last year due to currency rates and investments. OPEX includes water supply cost, wastewater analysis cost,chemical cost of wastewater treatment plant and maintenance cost of wastewater treatment plant, but the significant part of OPEX is water supply cost. OPEX increased compared to last year depending on the increase in the unit water cost and because of reporting scope changes. As a growing company, we expect an increase in water related OPEX.
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon ☑ Water

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Navigate regulations
☑ Drive energy efficiency
☑ Stress test investments
☑ Drive low-carbon investment
☑ Conduct cost-benefit analysis
☑ Identify and seize low-carbon opportunities
☑ Influence strategy and/or financial planning
☑ Setting and/or achieving of climate-related policies and targets
☑ Incentivize consideration of climate-related issues in decision making
☑ Incentivize consideration of climate-related issues in risk assessment

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Scenario analysis
☑ Benchmarking against peers
☑ Alignment to scientific guidance
☑ Alignment to international standards
☑ Alignment with the price of a carbon tax
☑ Alignment with the price of carbon border adjustment mechanism
☑ Alignment with the price of allowances under an Emissions Trading Scheme

(5.10.1.4) Calculation methodology and assumptions made in determining the price

At Arçelik, we use an internal carbon pricing mechanism in order to identify investment costs more accurately by taking into account a possible climate transition scenario where Emissions Trading Systems (ETS) or a potential additional cost mechanism for some raw materials may come into force within the framework of the EU Green Deal. Considering these scenarios and implementing an internal carbon pricing mechanism as a strategic decision-making component related to capital investments paves the way for reducing financial risks that may arise in the short and medium term. We use Shadow Price internal carbon pricing mechanism with a price of EUR 50 per tCO2e applied for the machinery and equipment investments above 50 kW installed capacity and EUR 50,000 capital cost. In order to determine

this price, scenario analyses, scientific studies and existing carbon pricing trajectories have been taken into account on top of examining the peers, systems such as CBAM and ETS. Using this mechanism helps us change internal behavior, especially in purchasing practices. By using a carbon price, we drive low carbon investments and identify which investments offer low carbon opportunities, navigate risks related to GHG regulations and stress test major risk items. We also encourage our suppliers to use internal carbon pricing to spread the best practices throughout the value chain and enhance supplier engagement and awareness.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

As Arçelik, we use the voluntary pricing method for carbon pricing. We follow the World Bank's Carbon Pricing Dashboard for existing and emerging carbon pricing regulations, compare current carbon prices worldwide every year, review them with external sources such as the EU ETS and update them when necessary. We use the Shadow Price internal carbon pricing mechanism by applying a price of EUR 50 per tCO2e for machinery and equipment investments above 50 kW installed power and EUR 50,000 capital cost. Before 2021, we applied a carbon price of EUR 30 per tCO2e, and after 2021 we increased it by approximately 66% to EUR 50. Considering the Carbon Pricing Leadership Coalition's suggestion that a price of USD 50-100/tCO2 is needed by 2030 to meet the Paris temperature target, we examined several scientific pricing trajectories. Two scenarios from a 2022 study, Independent Commodity Intelligence Services' forecast of EUR/ton 83.54 and LIMES-EU's forecast of EUR/ton 120 have been adopted as minimum and maximum cases. If there is any increase is significantly above or below this rate before 2030, the figures will be re-evaluated based on more accurate scenarios for that time and by using Carbon Pricing Leadership Coalition's current proposal and current World Bank carbon prices.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

1281.3

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

1281.3

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Operations
☑ Procurement
☑ Risk management
☑ Capital expenditure
☑ Opportunity management
☑ Value chain engagement
☑ Public policy engagement

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for some decision-making processes, please specify **:**Investments which are higher than EUR 50,000 capital cost and 50 kW installed capacity.

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

1.16

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

At Arçelik, we use an internal carbon pricing mechanism in order to identify investment costs more accurately by taking into account a possible climate transition scenario where Emissions Trading Systems (ETS) or a potential additional cost mechanism for some raw materials may come into force within the framework of the EU Green Deal. Considering these scenarios and implementing an internal carbon pricing mechanism as a strategic decision-making component related to capital investments paves the way for reducing financial risks that may arise in the short and medium term. Using carbon shadow mechanism, helps us change internal behavior, especially in purchasing practices. When purchasing energy-consuming equipment, we include the carbon price in the equipment's life cycle cost analysis and select the most advantageous equipment in terms of the equipment's life cycle cost. Thus, we provide cost advantage in the equipment's life cycle and record this

in the "life cycle cost analysis form of investments". By using a carbon price, we drive low carbon investments and identify which investments offer low carbon opportunities, navigate risks related to GHG regulations and stress test major risk items. We also encourage our suppliers to use internal carbon pricing to spread the best practices throughout the value chain and enhance supplier engagement and awareness.
[Add row]

(5.10.2) Provide details of your organization’s internal price on water.

Row 1

(5.10.2.1) Type of pricing scheme

Select from:
☑ Shadow price

(5.10.2.2) Objectives for implementing internal price

Select all that apply
☑ Conduct cost-benefit analysis
☑ Drive water-related investment
☑ Incentivize consideration of water-related issues in risk assessment

(5.10.2.3) Factors beyond current market price are considered in the price

Select from:
☑ Yes

(5.10.2.4) Factors considered when determining the price

Select all that apply
☑ Scenario analysis
☑ Existing water tariffs
☑ Costs of treating water
☑ Costs of disposing water
☑ Alignment to scientific guidance

☑ Anticipated water tariffs

(5.10.2.5) Calculation methodology and assumptions made in determining the price

Arçelik calculates internal water prices(IWP) for each plant separately. To calculate IWPs, water stress was determined by using Aqueduct tool in current condition for Arçelik plants.Then, water stress was modelled for 2030 and 2050 in 3 different cases (business as usual, optimistic &pessimistic). For the determination of water stress impact on watershed due to water withdrawal, proportional increases between 10-100% water cost depending on source of water and water stress score(1-5point) were assumed for Internal water prices(IWP) calculation. Also IWP calculation includes water bills paid monthly, opex, inflation rates and other direct/indirect water and wastewater prices.

(5.10.2.6) Stages of the value chain covered

Select all that apply

☑ Direct operations

(5.10.2.7) Pricing approach used – spatial variance

Select from:

☑ Differentiated

(5.10.2.8) Indicate how and why the price is differentiated

Water stress, water price, service and product prices offered by suppliers (maintenance, repair or chemical), labor etc. expenses vary depending on the regions where our businesses are located. Therefore, our internal water price varies in each location.

(5.10.2.9) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.2.10) Indicate how you expect the price to change over time

Water stress, water price, service and product prices offered by suppliers (maintenance, repair or chemical), labor etc. expenses vary depending on the regions where our businesses are located. Therefore, our internal water price in each location varies depending on time.

(5.10.2.11) Minimum actual price used (currency per cubic meter)

11

(5.10.2.12) Maximum actual price used (currency per cubic meter)

140

(5.10.2.13) Business decision-making processes the internal water price is applied to

Select all that apply

☑ Operations

☑ Procurement

☑ Risk management

(5.10.2.14) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for all decision-making processes

(5.10.2.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.2.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

Arçelik calculates internal water prices (IWP) for each plant separately. To calculate IWPs, water stress was determined by using Aqueduct tool in current condition for Arçelik plants.Then, water stress was modelled for 2030 and 2050 in 3 different cases (business as usual, optimistic &pessimistic). For the determination of water stress impact on watershed due to water withdrawal, proportional increases between 10-100% water cost depending on source of water and water stress score(1-5point) were assumed for Internal water prices(IWP) calculation. Also IWP calculation includes water bills paid monthly, opex, inflation rates and other direct/indirect water and wastewater prices. Internal water prices are updated once a year. According to Internal water pricing, the return on investments is shortened, which encourages water-related investments. It also helps usage of water more efficiently by increasing awareness about water.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 26-50%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We determine substantive dependencies and/or impacts in terms of climate of our suppliers corresponding to 90% of our purchasing volume through the following process: 1) Suppliers from carbon intensive sectors such as metal and plastic processing, 2) Suppliers that are located in vulnerable countries where a country's exposure, sensitivity is high and the ability to adapt to the negative impact of climate change low.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

85

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Dependence on water
☑ Impact on water availability
☑ Impact on pollution levels

(5.11.1.3) % Tier 1 suppliers assessed

Select from:
☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

*We determine substantive dependencies and/or impacts in terms of water security of our suppliers corresponding to 90% of our purchasing volume through the following process: 1) Analysis of dependence to and impact on water: *Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas *Plants located in a basin that baseline water depletion (Water demand/Water supply) is above %100 2) Impact on pollution level *Certification and *Permission control*

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:
☑ Less than 1%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1
[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Material sourcing

☑ Procurement spend

☑ Regulatory compliance

☑ Business risk mitigation

☑ Vulnerability of suppliers

☑ Strategic status of suppliers

☑ Supplier performance improvement

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

(5.11.2.4) Please explain

Criteria for prioritization of engagement: - Contribution to supplier related Scope 3 emissions, material sourcing: We evaluate the suppliers that have the most potential to have significant emissions impact. The plastic and metal processing sectors as well as producer of electronic cards and compressors pose risks regarding environmental impact. - Business risk mitigation, procurement spend and strategic status of suppliers: We evaluate our suppliers based on the purchasing volume, dependence on the supplier in terms of sourcing critical components and being a non-substitutable supplier, along with ESG risks. This allows us to pursue business risk mitigation. - Regulatory compliance: We look out for regulatory challenges that the suppliers might face regarding climate transition such. For example steel that Arçelik import from suppliers outside the EU has different prioritization based on CBAM requirements. - Supplier performance improvement: We evaluate suppliers through Supplier ESG Program, open corrective actions for ESG non-conformities and monitor progress. Suppliers that have room and potential for improvement are prioritized. - Vulnerability: We evaluate supplier vulnerability according to country-specific risks, sector specific risks, and commodity specific risks.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Material sourcing

☑ Procurement spend

☑ Regulatory compliance

☑ Business risk mitigation

☑ Vulnerability of suppliers

☑ Strategic status of suppliers

☑ Supplier performance improvement

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

(5.11.2.4) Please explain

Criteria for prioritization of engagement: - Dependence on water and water pollution impact: Water stress and water depletion of the plants of suppliers in basins through WRI Aqueduct Water Risk Atlas and and compliance/certification are considered. - Supplier performance improvement: We evaluate suppliers through Supplier ESG Program, open corrective actions for ESG non-conformities and monitor progress. Suppliers that have room and potential for improvement are prioritized. - Business risk mitigation, procurement spend and strategic status of suppliers: We evaluate our suppliers based on the purchasing volume, dependence on the supplier in terms of sourcing critical components and being a non-substitutable supplier, along with ESG risks. This allows us to pursue business risk mitigation - Regulatory compliance: Arçelik has set a prerequisite about ISO 14001 which is the first evaluation criteria in terms of environmental perspective. - Vulnerability: We evaluate supplier vulnerability according to country-specific risks, sector specific risks, and commodity specific risks. - Material sourcing: The plastic and metal processing sectors as well as producer of electronic cards and compressors pose risks regarding environmental impact
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization’s purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Accepting and complying with Arçelik Global Responsible Purchasing Policy is a contractual obligation. In case of repeated serious violations of this Policy, Arçelik reserves the right to terminate the contract with its suppliers. Our stakeholders can inform us about suspicious behavior or supplier violations of business ethics via an e-mail address (arcelikas@ ethicsline.net), our website (www. ethicsline. net), or the telephone numbers given in the Policy. Arçelik undertakes to handle all notifications about suspicious behavior and violations confidentially and protect those who provide such notifications, and we do not tolerate retaliation. The policy covers the items such as: • Carry out activities to combat the climate crisis and contribute to transition to a low carbon economy, considering the climate related risks and opportunities of their activities, • Focus on reducing energy consumption, … by using the best available techniques and cleaner production technologies and using natural resources efficiently, • Aim to increase energy efficiency studies as well as use of renewable energy resources When awarding contracts to existing significant suppliers, ESG score is also considered based on the Supplier Sustainability Index (a minimum of 20% weight). If findings present a potential risk, corrective action plans are sent to suppliers as a mitigation measure to improve and plan to address non-conformities within a certain period.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Accepting and complying with Arçelik Global Responsible Purchasing Policy is a contractual obligation. In case of repeated serious violations of this Policy, Arçelik reserves the right to terminate the contract with its suppliers. Our stakeholders can inform us about suspicious behavior or supplier violations of business ethics via an e-mail address (arcelikas@ ethicsline.net), our website (www. ethicsline. net), or the telephone numbers given in the Policy. Arçelik undertakes to handle all notifications about suspicious behavior and violations confidentially and protect those who provide such notifications, and we do not tolerate retaliation. The policy covers the items such as: "•Focus on reducing energy consumption, water consumption, resource consumption, and chemical consumption by using the best available techniques and cleaner production technologies and using natural resources efficiently, •Determine the water risks considering the sector needs and the

geographies in which is operated, and conduct studies to manage these risks." When awarding contracts to existing significant suppliers, ESG score is also considered based on the Supplier Sustainability Index (a minimum of 20% weight). If findings present a potential risk, corrective action plans are sent to suppliers as a mitigation measure to improve and plan to address non-conformities within a certain period.
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:
☑ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply
☑ Certification
☑ On-site third-party audit
☑ Supplier self-assessment
☑ Off-site third-party audit
☑ Supplier scorecard or rating
☑ Grievance mechanism/ Whistleblowing hotline

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:
☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Exclude

(5.11.6.12) Comment

Arçelik Global Responsible Purchasing Policy is in line with recognized principles including International Labor Organization Conventions. Accepting and complying with the Policy is a contractual obligation. In case of repeated serious violations of this Policy, Arçelik reserves the right to terminate the contract with its suppliers. No contracts have been terminated for Tier-1 material suppliers in 2023. Unique significant Tier-1material&OEMsupplier assessed (survey and/or audit) in 2023 was 334. Based on the methodology in the Supplier ESG Program, a minimum of 20% of ESG score is weighted in the final score of the supplier. The ethic audits assess the compliance of our suppliers on Arçelik's expectations including legal practices, working conditions, ethical rules, OHS and environment. Our stakeholders can inform us about suspicious behavior or supplier violations of business ethics via an e-mail address (arcelikas@ ethicsline.net), our website (www. ethicsline. net), or the telephone numbers given in our Policy. The policy covers the items such as: •Carry out activities to combat the climate crisis and contribute to transition to a low carbon economy, considering the climate related risks and opportunities of their activities, •Focus on reducing energy consumption, … by using the best available techniques and cleaner production technologies and using natural resources efficiently, •Aim to increase energy efficiency studies as well as use of renewable energy resources.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification
☑ On-site third-party audit
☑ Supplier self-assessment
☑ Off-site third-party audit
☑ Supplier scorecard or rating
☑ Grievance mechanism/ Whistleblowing hotline

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Exclude

(5.11.6.12) Comment

Arçelik Global Responsible Purchasing Policy is in line with recognized principles including International Labor Organization Conventions. Accepting and complying with the Policy is a contractual obligation. In case of repeated serious violations of this Policy, Arçelik reserves the right to terminate the contract with its suppliers. No contracts have been terminated for Tier-1 material suppliers in 2023. Unique significant Tier-1material&OEMsupplier assessed (survey and/or audit) in 2023 was 334. Based on the methodology in the Supplier ESG Program, a minimum of 20% of ESG score is weighted in the final score of the supplier. The ethic audits assess the compliance of our suppliers on Arçelik's expectations including legal practices, working conditions, ethical rules, OHS and environment. Our stakeholders can inform us about suspicious behavior or supplier violations of business ethics via an e-mail address (arcelikas@ ethicsline.net), our website (www. ethicsline. net), or the telephone numbers given in our Policy. The policy covers the items such as: • Focus on reducing energy consumption, water consumption, resource consumption, and chemical consumption by using the best available techniques and cleaner production technologies and using natural resources efficiently, • Determine the water risks considering the sector needs and the geographies in which is operated, and conduct studies to manage these risks
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to measure GHG emissions

☑ Provide training, support and best practices on how to mitigate environmental impact

☑ Support suppliers to set their own environmental commitments across their operations

Financial incentives

☑ Provide financial incentives for environmental performance

Information collection

☑ Collect GHG emissions data at least annually from suppliers

☑ Collect targets information at least annually from suppliers

Innovation and collaboration

☑ Other innovation and collaboration activity, please specify :Resource efficiency projects including Energy Efficiency, Material Reduction & Recycled Plastics

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 76-99%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

The survey based on quantitative ESG data includes but not limited to Scope 1 and 2 GHG emissions, water management (water consumption, recycled water, wastewater generation), electricity consumption, natural gas consumption, oil consumption, specific energy consumption, green electricity purchased, renewable energy for self-consumption. The target is to collect the data of Scope 1–2 GHG emissions, energy, water, and waste from the suppliers within 90% of purchasing volume and encourage them to set their own targets by the end of 2025. The 2023 progress in terms of data collection is 253 suppliers. In 2023, efforts have been made to develop supplier infrastructure and technical competencies, and to disseminate new production technologies emerging in the industry in the supplier ecosystem. The target projects include the Supplier ESG Target setting project as well as focus projects such as increasing energy efficiency, renewable energy usage and increasing digitalization capabilities of the suppliers. Through the transformation of 345 energy efficient motors at 16 suppliers in 2023 resulted in a saving of 1 million kWh of energy and a reduction of 422 tCO2e emissions. The number of suppliers who signed the Commitment Letter to set long-term GHG emission,

water, energy efficiency and waste reduction targets is 110 in 2023. The targeted decrease of Scope 1 emissions is 33% and of Scope 2 is 31%, and of average energy consumption per product (TEP/product) is 23% while the targeted increase for green electricity purchase (kWh) is 53% by 2030 based on 2021. Arçelik has also set a new target that the suppliers are expected to reach 100% green electricity usage by 2030. This green transition will be a significant step to decarbonize our value chain as well as our industry. Arçelik has initiated an Early Payment Program on C2FO Platform, tailored for ESG performance of its suppliers. Within the scope, the suppliers have the opportunity have more advantageous rates. Based on three criteria, suppliers are assessed as Green(65)/Green(45)/Standard(25). The first criteria is having Excellent score based on the assessment described in the Arçelik Supplier ESG Program Procedure and having environmental related targets. As a last step, having progress towards those targets are ranked accordingly. The main aim is to encourage our suppliers to invest in sustainability area in terms of both reporting, set targets and triggering projects.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Accepting and complying with Arçelik Global Purchasing Policy is a contractual obligation.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Total water withdrawal volumes reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

☑ Support suppliers to set their own environmental commitments across their operations

Financial incentives

☑ Provide financial incentives for environmental performance

Information collection

☑ Collect targets information at least annually from suppliers

☑ Collect WASH information at least annually from suppliers

☑ Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

The survey based on quantitative ESG data includes but not limited to Scope 1 and 2 GHG emissions, water management (water consumption, recycled water, wastewater generation), electricity consumption, natural gas consumption, oil consumption, specific energy consumption, green electricity purchased, renewable energy for self-consumption. The target is to collect the data of Scope 1–2 GHG emissions, energy, water, and waste from the suppliers within 90% of purchasing volume and encourage them to set their own targets by the end of 2025. The 2023 progress in terms of data collection is 253 suppliers. The target projects include the Supplier ESG Target setting project. Within this scope, we encouraged our suppliers to set their targets. The number of suppliers who signed the Commitment Letter to set ong-term GHG emission, water, energy efficiency and waste reduction targets is 110 in 2023. Our suppliers' water-related targets are average waste amount per product (tonnes/product) and/or average water withdrawal amount per product (m3/product). Targeted reduction ratio by 2030 is 25% for 33 suppliers, and 16% for 42 suppliers respectively based on 2021. Arçelik has initiated an Early Payment Program on C2FO Platform, tailored for ESG performance of its suppliers. Within the scope, the suppliers have the opportunity have more advantageous rates. Based on three criteria, suppliers are assessed as Green(65)/Green(45)/Standard(25). The first criteria is having Excellent score based on the assessment described in the Arçelik Supplier ESG Program Procedure

and having environmental related targets. As a last step, having progress towards those targets are ranked accordingly. The main aim is to encourage our suppliers to invest in sustainability area in terms of both reporting, set targets and triggering projects.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Accepting and complying with Arçelik Global Purchasing Policy is a contractual obligation.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Align your organization’s goals to support customers’ targets and ambitions

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 51-75%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Our primary focus in a product life cycle is on reducing the overall usage of energy and water in our products, which not only helps our customers save money, but also decreases their environmental impact. Climate-related impacts are considered by B2B partners when conducting trade relations and robust actions are expected from Arçelik. We have ongoing communication with B2B customers – consumers. We gather consumer insights through surveys, training, seminars, annual meetings, face-to-face interview and monitor our corporate and brand websites as well as social media channels to measure satisfaction with our products and services. We also respond to respond to customer questionnaires. The topics that are raised are such as - Increased collaboration and customer relationship to work on mutual projects and form sustainability partnerships - GHG emission reductions including net zero commitments, circular and renewable solutions, water management, and waste and plastic recycling - Durable and high-quality products with extended warranty, a circular approach and improved quality - Product training and offerings focusing on sustainable features including R&D and innovation, high-quality and safety - Training programs providing authorized dealers the necessary skills and knowledge to sell and promote our products effectively and enhancing competence development while focusing on promoting sustainable consumption and circularity

(5.11.9.6) Effect of engagement and measures of success

“Energy Efficient Products”is considered highly material based on double materiality analysis. 78% of B2C respondents, the second largest stakeholder group, believe Arçelik has a positive impact in this area. The response rates were 67% for B2B customers and 71% for B2C customers. The goal was to achieve at least a 10% response rate for statistical significance, which was successfully met. One of the most valuable indicators of increasing customer awareness as a measure of success about the importance of energy-efficient products is the yearly effect on Scope 3 emissions from the use of sold products. Arçelik invests heavily in R&D to enhance its products and production and present them to the customers. Arçelik provides bonus to B2C partners, when they sell over the promised number of energy efficient product. Our project with one of the largest online shops in the Netherlands, Coolblue-Free Washing Proposition, allows our customers to optimize their energy usage with a unique energy model which notifies and encourages them to wash when the renewable electricity is produced. Additionally, Arçelik creates awareness among users about sustainability in order to increase the probability of consumers’ willingness. Our Shed That Carbon campaign, with over 39 million unique reach, is dedicated to teaching consumers long lasting resource efficient habits for less harm on the environment. In 2023, total revenue from energy-efficient products was increased to 50.2%.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Align your organization's goals to support customers' targets and ambitions

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Our primary focus in a product life cycle is on reducing the overall usage of energy and water in our products, which not only helps our customers save money, but also decreases their environmental impact. We have ongoing communication with B2B customers – consumers. We gather consumer insights through surveys, training, seminars, annual meetings, face-to-face interview and monitor our corporate and brand websites as well as social media channels to measure satisfaction with our products and services. We also respond to customer questionnaires.The topics that are raised are such as - Increased collaboration and customer relationship to work on mutual projects and form sustainability partnerships - GHG emission reductions including net zero commitments, circular and renewable solutions, water management, and waste and plastic recycling - Durable and high-quality products with extended warranty, a circular approach and improved quality - Product training and offerings focusing on sustainable features including R&D and innovation, high-quality and safety - Training programs providing authorized dealers the necessary skills and knowledge to sell and promote our products effectively and enhancing competence development while focusing on promoting sustainable consumption and circularity

(5.11.9.6) Effect of engagement and measures of success

Our primary focus in a product life cycle is on reducing the overall usage of energy and water in our products, which not only helps our customers save money, but also decreases their environmental impact. “Water Efficient Products”is considered highly material based on double materiality analysis. 78% of B2C respondents,the second largest stakeholder group, believe Arçelik has a positive impact in this area.The response rates were 67% for B2B customers and 71% for B2C customers.The goal was to achieve at least a 10% response rate for statistical significance, which was successfully met. Viewing the materiality topics with a regional lens, with stakeholders including B2B and B2C customers, this geographical distribution becomes even more widespread. “Water management” stands out as a highly material issue, especially for countries that face water scarcity such as Türkiye, Pakistan, Bangladesh, and Thailand. Arçelik strives for the reduction of carbon footprint with products including recycled and natural materials, and energy and water efficient technologies. Therefore, Arçelik conducts campaigns to raise awareness about environmental issues among its consumers and encourages them to take action. With communications for our Beko brand, for instance, campaigns reached 76.3 million people, with over 1.2 billion impressions and video views.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Collaborate with stakeholders in creation and review of your climate transition plan

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 51-75%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

With the deepening of climate crisis, various investors, demand a decrease in environmental footprint. Climate-related impacts are considered by investors and robust actions are expected from Arçelik. We engage with investors through: - Ongoing communication - ESG conferences, one-on-one meetings, investor presentations, and quarterly earnings webcasts - Regular updates through our annual and sustainability reports, annual meetings, public disclosure statements, and corporate website The topics that are raised: -Transparent sustainability reporting, KPIs, and targets breakdown –Sustainability reporting to global indices with solid leadership scores -Top-performing results to sustainability indices on a global scale

(5.11.9.6) Effect of engagement and measures of success

How we respond to the topics that are raised: - Sustainability Principles Compliance Report providing comprehensive information on our adherence to sustainability principles and guidelines -Annual Report, Sustainability Report, Green Bond Allocation and Impact Report, Conflict Minerals Report - Responding to investor questionnaires. As Arçelik, we benefit from EUR 350 million green bond and a EUR 150 million green loan. The green financing provided to Arçelik shows the investor and financing institutions' confidence in Arçelik to execute its green transformation strategy. Arçelik's Green Bond Allocation and Impact Report 2023 covers the CAPEX and/or OPEX of projects that include avoided emissions, such as energy-efficient products with avoided emissions exceeding 20,000 tonnes CO2e, energy efficiency in production with over 1,300 tonnes CO2e, and renewable energy with more than 100,000 tonnes CO2e. Koç Holding, Arçelik's main shareholder, has launched a Carbon Transition Initiative aimed at significantly reducing carbon emissions across its operations. At Annual General Meeting, shareholders were informed about the company's strategy and prominent activities in 2023 regarding the Low Carbon Economy Transition. Also, "Climate Action" is categorized very highly material based on Arçelik's double materiality analysis.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We engage with investors through: - Ongoing communication - ESG conferences, one-on-one meetings, investor presentations, and quarterly earnings webcasts - Regular updates through our annual and sustainability reports, annual meetings, public disclosure statements, and corporate website The topics that are raised: - Transparent sustainability reporting, KPIs, and targets breakdown –Sustainability reporting to global indices with solid leadership scores -Top-performing results to sustainability indices on a global scale With the deepening of climate crisis, various investors, demand a decrease in environmental footprint. Climate-related impacts are considered by investors and robust actions are expected from Arçelik.

(5.11.9.6) Effect of engagement and measures of success

How we respond to the topics that are raised: - Sustainability Principles Compliance Report providing comprehensive information on our adherence to sustainability principles and guidelines - Annual Report, Sustainability Report, Green Bond Allocation and Impact Report, Conflict Minerals Report - Responding to investor questionnaires. Green financing tools present the opportunity of lower interest rate compared to conventional debt instruments. As Arçelik, we benefit from EUR 350 million green bond and a EUR 150 million green loan. The green financing provided to Arçelik shows the investor and financing institutions' confidence in Arçelik to execute its green transformation strategy. Arçelik's Green Bond Allocation and Impact Report 2023 covers the capital expenditure for water-related projects with the outputs of 49,754 m3 water saving in Romania, Türkiye, Pakistan and 180 m3 water harvesting in Pakistan. Koç Holding, Arçelik's main shareholder, has launched a Carbon Transition Initiative which covers Water Task Force to enhance water management.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**Institution/Organization

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 51-75%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In our industry, we constantly seek new ways to collaborate with and contribute to mechanisms tackling climate change and moving towards decarbonization beyond legal requirements and voice our firm commitment in the platforms like trade unions, sectoral associations, etc. we continuously engage with. We are becoming members to related working groups in our memberships and try to raise awareness on effective climate management and also try to help shape necessary regulation. Such engagements aim to bring efficient home appliances into consumers' homes, convey industry views to relevant public bodies, support the development of a regulatory framework that nurtures innovation, advances digitalization, and enhances growth, while pursuing the vision of improving health, comfort, safety, and energy efficiency in all buildings and communities. Some of the organizations where Arçelik is a member of in 2023 includes but not limited to Home Appliance Europe (APPLiA), The Association of Manufacturers of Domestic Appliances (AMDEA), ZVEI e.V., Domestic Appliances Association of South Africa (SADA). We are striving to build a sustainable world with our technologies improving the future. In line with our determined objectives, we value and prioritize the UN's Sustainable Development Goals, Paris Agreement, and other related documents. Arçelik Global works to develop enduring relationships based on mutual trust with all stakeholders including public bodies, NGOs, sectoral institutions, and etc. Pursuant to Arçelik's Global Human Rights Policy and Climate Change Strategy, Arçelik works in collaboration with all public bodies, NGOs, trade associations and other related organisations or institutions in the advancement of the proposed legislation and/or other related regulations which may affect legitimate business interests that are compatible with international human rights norms and Paris Agreement.

(5.11.9.6) Effect of engagement and measures of success

The company prioritizes energy efficiency and recyclability while ensuring durability. Engagements with relevant organizations enhance our climate action efforts. In this regard, Arçelik engaged with organizations on energy efficient product&production, CBAM etc.Arçelik invests heavily in innovation and R&D to reduce the carbon footprint of its products during its design and use phases. When designing its products, the company places great emphasis in energy-efficiency and recyclability without compromising on durability. A significant volume of emissions come from the use phase of sold products. The automatic detection of programs and detergent doses decreases the energy, water, and chemical consumption of appliances, hence contributing to our efforts to decarbonization. Arçelik has developed a methodology to enhance its efficiency and collaboration through two components: Case Metrics and Response Metrics as outlined in Arçelik Global Sectoral Relations Management & NGO Membership Policy. Arçelik and its affiliates do not and will not support any position conflicting with the international guiding principles and agreements related with human rights and the environment (such as United Nations Guiding Principles on Business and Human Rights, Paris Agreement, and etc) during the engagement with trade associations. Since Arçelik is not involved in any direct lobbying activities, no position of conflict is possible with these international principles.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :Institution/Organization

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Engage with stakeholders to advocate for policy or regulatory change

☑ Other innovation and collaboration, please specify :"Arçelik x Water.org collaboration for water or sanitation solutions to help empower 10,000 Kenyans"

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In line with Arçelik's water policy, we aim to improve our water performance by developing projects to reduce water withdrawal, increase water efficiency, enhance water monitoring and increase water recycling & reuse in line with our water targets & goals minimizing our water related environmental impacts throughout the product lifecycle adopting innovative technologies; raise awareness among our employees, stakeholders and society; collaborate with third party institutions to ensure vulnerable groups' access to clean water (water.org collaboration); support water stewardship by collaborating with related stakeholders, and participating national and international water initiatives (such as the UNGC CEO Water Mandate). Arçelik chose to engage with the UN Global Compact CEO Water Mandate to demonstrate leadership in global water management. The Mandate brings together a coalition of companies committed to water sustainability, aligning with Arçelik's goals to promote responsible water management practices. This engagement provides a platform to collaborate with like-minded organizations, gain insights into best practices, and influence global policy discussions on water management. Water.org was selected as a partner to address water scarcity in regions most in need, such as Kenya. The organization's expertise in community-level interventions aligns with Arçelik's commitment to create social impact beyond its immediate operations. This partnership enables Arçelik to contribute to tangible, on-the-ground solutions for safe water access and sanitation, thus expanding its water stewardship efforts to regions with critical water challenges. As part of our commitments, our partnership with Water.org to support a community program that will empower 10,000 Kenyans in need with access to safe water and sanitation solutions. Engaging local communities, NGOs at global and local scales is also crucial for the implementation and

success of water management. We are becoming members to related working groups in our memberships and try to raise awareness on effective water management and also try to help shape necessary regulations, like the one in Türkiye through our membership to TÜSİAD Water Working Group.

(5.11.9.6) Effect of engagement and measures of success

Engagements with relevant organizations enhance our water stewardship efforts. Arçelik's water management efforts cover sustainable use in its operations and invest in R&D to reduce its customers' water footprint through embracing pioneering technologies. The company has put in place several water related projects including efficiency purposes and saving technologies such as rainwater harvesting projects and water recycling systems in production and SaveWater technology for products. Also, thanks to Beko's support, as of the end of 2023, Water.org has successfully delivered safe water or sanitation solutions to more than 7,300 Kenyans. In 2023, Arçelik is also committed to Forward Faster initative in 2023 on different areas including water resilience, climate action and sustainable finance. Arçelik has developed a methodology to enhance its efficiency and collaboration through two components: Case Metrics and Response Metrics as outlined in Arçelik Global Sectoral Relations Management & NGO Membership Policy. Arçelik and its affiliates do not and will not support any position conflicting with the international guiding principles and agreements related with human rights and the environment (such as United Nations Guiding Principles on Business and Human Rights, Paris Agreement, and etc) during the engagement with trade associations. Since Arçelik is not involved in any direct lobbying activities, no position of conflict is possible with these international principles.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**Supplier

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

☑ Other education/information sharing, please specify

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 76-99%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 76-99%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Integrating effective supply chain management is essential to manage environmental, social, and governance related impacts, risks, and dependencies along with business perspective. As a company with a supplier network worldwide, our commitment is to integrate environmental, social, and governance metrics in our approach to the entire value chain. The Supplier ESG Program is a procedure designed to ensure ESG strategies are embedded into supplier selection and evaluation criteria to identify material risks and impacts, ensuring that supplier business practices are in line with the Arçelik Global Responsible Purchasing Policy

(5.11.9.6) Effect of engagement and measures of success

Arçelik's Supplier Development Program covers working with suppliers to improve non-conformities, supplier training, technical capacity improvement program, ESG Target Setting Process. Our Digital Education Platform provides programs in 11 different areas including ISO Environment and Energy Management Systems, GHG inventory calculation method, energy and environmental data collection, ROHS regulations, conflict minerals, occupational health and safety, risk identification and business law & social security legislation as well as business ethics. The target projects include the Supplier ESG Target setting project as well as focus projects on raw material reduction, increasing recycled material consumption, increasing energy efficiency, renewable energy usage and increasing digitalization capabilities of the suppliers. The implementation of 345 motors to 16 suppliers in 2023 resulted in a saving of 1 million kWh of energy and a reduction of 422 tCO2e emissions. We circulate a letter (herein referred to as the "Commitment Letter") to our suppliers explaining our sustainability strategy, our sustainability credentials and our Science Based Targets as well as the 2030 environmental targets. During this journey, we encouraged our suppliers to set their targets. As of the end of 2023, the 110 signatories of the Commitment Letter have set long-term GHG emission, water, energy efficiency and waste reduction targets.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**Supplier

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

☑ Other education/information sharing, please specify

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 76-99%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Integrating effective supply chain management is essential to manage environmental, social, and governance related impacts, risks, and dependencies along with business perspective. As a company with a supplier network worldwide, our commitment is to integrate environmental, social, and governance metrics in our approach to the entire value chain. The Supplier ESG Program is a procedure designed to ensure ESG strategies are embedded into supplier selection and evaluation criteria to identify material risks and impacts, ensuring that supplier business practices are in line with the Arçelik Global Responsible Purchasing Policy

(5.11.9.6) Effect of engagement and measures of success

Arçelik's Supplier Development Program covers working with suppliers to improve non-conformities, supplier training, technical capacity improvement program, ESG Target Setting Process. Our Digital Education Platform provides programs in 11 different areas including ISO Environment and Energy Management Systems, GHG inventory calculation method, energy and environmental data collection, ROHS regulations, conflict minerals, occupational health and safety, risk identification and business law & social security legislation as well as business ethics. The target projects include the Supplier ESG Target setting project. The implementation of 345 motors to 16 suppliers in 2023 resulted in a saving of 1 million kWh of energy and a reduction of 422 tCO2e emissions. We circulate a letter (herein referred to as the "Commitment Letter") to our suppliers explaining our sustainability strategy, our sustainability credentials and our Science Based Targets as well as the 2030 environmental targets. During this journey, we encouraged our suppliers to set their targets. As of the end of 2023, the 110 signatories of the Commitment Letter have set long-term GHG emission, water, energy efficiency and waste reduction targets.
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Arçelik is a household appliances manufacturing company and has control over own operations and subsidiaries and joint ventures. Thus, the operational control approach is used.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Arçelik is a household appliances manufacturing company and has control over own operations and subsidiaries and joint ventures. Thus, the operational control approach is used.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Other, please specify **:**Own operations: All operations excluding IHP JVs: Not included except Arçelil-LG

(6.1.2) Provide the rationale for the choice of consolidation approach

For plastics data, all operations excluding IHP is included. JVs are not included except Arçelik-LG

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Arçelik is a household appliances manufacturing company and has control over own operations and subsidiaries and joint ventures. Thus, the operational control approach is used.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

(7.1.1.1) Has there been a structural change?

Select all that apply

☑ Yes, other structural change, please specify **:**The reporting scope expanded in a way to include all joint ventures and the Russia IHP Appliances facility

(7.1.1.2) Name of organization(s) acquired, divested from, or merged with

The emission data from Arçelik's joint ventures which are Arçelik-Hitachi, Arçelik-LG, and Voltbek, and Arçelik's new production plant in Russia (Russia IHP production plant) were not included in the reporting scope in previous years. As of 2023, GHG emissions of these production plants have been included starting from 2022 data and reported in Arçelik's GHG emissions boundary. Thus, GHG emissions reported in this questionnaire for the years 2022 and 2023 include these additions.

(7.1.1.3) Details of structural change(s), including completion dates

Arçelik has the following joint ventures: Arçelik-LG (45% ownership), Voltbek (49% ownership) and Arçelik-Hitachi (60% ownership) These joint ventures have joined Arçelik's structure between years 1999 and 2021. Their 2022 and 2023 emissions have been included in the overall GHG data in 2023. Since Arçelik reports its GHG emissions under operational control, 100% of GHG emissions from these production plants mentioned above are counted in Arçelik's GHG boundary. In addition, the IHP Appliances facilities were acquired in 2022 with 100% ownership. GHG emissions of IHP have been included starting from 2022 in Arçelik's GHG Boundary. [Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☑ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Arçelik Hitachi, Arçelik LG, Voltbek, and Russia IHP Appliances, which were not included in the reporting boundary in previous years have been included in the emission calculation in 2023 reporting year for 2022 and 2023 data.
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 1

☑ Scope 2, location-based

☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

We recalculate the base year emissions when there is a minimum of 5% change (increase or decrease) in emissions.

(7.1.3.4) Past years' recalculation

Select from:

☑ Yes

[Fixed row]

(7.3) Describe your organization’s approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

Our Scope 2 (location-based) emissions are emitted from grid electricity, and they are calculated by using the grid electricity emission factor from International Energy Agency (IEA) and verified by an independent third-party organization. Our Scope 2 (market-based) emissions are only emitted from the electricity supplied from renewable energy sources, and they are verified as “0” (zero) by an independent third-party organization.
[Fixed row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

82947

(7.5.3) Methodological details

Scope 1 emissions are generated from stationary combustion, mobile combustion, gas leakage from air conditioners used in the offices, gas leakage at the charge stage for products such as refrigerators and ACs, fire extinguishers, and other GHG-related chemicals, biological wastewater treatment plants in production areas. IPCC Guidelines for National Greenhouse Gas Inventories, 2006 (and 2019 amendment), IPCC Fifth Assessment Report (IPCC AR5), and ISO 14064-1 Standard have been used for emission calculations. Annual consumptions of fuels and other Scope 1 inventory elements are used as activity data. Activity data are multiplied with emission factors to get emission amounts.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

92501

(7.5.3) Methodological details

Our Scope 2 (location-based) emissions are emitted from grid electricity, calculated using the grid electricity emission factor from the International Energy Agency (IEA) and verified by an independent third-party organization. Our Scope 2 (market-based) emissions are only emitted from electricity purchased from renewable energy sources, and they are verified as “0” (zero) by an independent third-party organization. IPCC Guidelines for National Greenhouse Gas Inventories, 2006 (and 2019 amendment), IPCC Fifth Assessment Report (IPCC AR5), and ISO 14064-1 Standard have been used for emission calculations. Annual electricity consumption and other purchased energy consumption are used as activity data. Activity data are multiplied with the electricity emission factor from the International Energy Agency (IEA) to get emission amounts.

Scope 2 (market-based)

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Since new production plants (as the result of acquisitions) in Manisa in Turkey and in Bangladesh have been added to Arçelik's GHG inventory boundary, the base year has been revised and selected as 2022. Market-based Scope 2 emissions have been calculated as zero since the electricity is supplied from renewable sources. 100% of the electricity used in HQ and production plants in Turkey and Romania has been supplied from renewable sources. So, Scope 2 (market-based) emissions of these locations have been calculated as zero.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

5151064

(7.5.3) Methodological details

The sources of indirect GHG emissions from purchased goods and services are raw materials, materials, and packaging materials used in Arçelik's sold products. The amounts are calculated by choosing the most sold product as the reference model. The products which are taken into Arçelik's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispanser, small domestic applainces and solar panel product groups produced in Arçelik's own production plants and joint ventures in Turkey, Romania, Russia, South Africa, Pakistan, Bangladesh, Thailand, China, and India. GHG emissions caused by used materials such as plastics, metals, dyes, chemicals, and other parts of the products are calculated by using the weight, sold product number, and emission factors of used materials. Material data (material types and weights) are collected from product BoM lists, R&D, and other related departments. Emissions factors are mainly taken from Ecoinvent Database and DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standard.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

186235

(7.5.3) Methodological details

The sources of indirect GHG emissions from capital goods are Arçelik's buildings, machinery, equipment, moulds, motor vehicles, and land improvements. The GHG emissions are calculated by using Arçelik's global spend-based data from Arçelik's related departments. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standard.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

19116

(7.5.3) Methodological details

The sources of indirect GHG emissions from fuel-and-energy-related activities (not included in Scope 1 or 2) are well-to-tank GHG emissions of fuel consumption reported in Scope 1 and distribution GHG emissions of electricity consumption reported in Scope 2. This category's emissions have been calculated using the GHG Emission Calculator Tool by the UNFCCC Secretariat. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standard.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

85622

(7.5.3) Methodological details

The sources of greenhouse gas emissions from upstream transportation and distribution are road, air, railways, and water-borne navigation activities during the import of raw materials and components from suppliers to our production plants. The calculation methodology is from "EPA Center for Corporate Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories". All calculations are completed in accordance with ISO 14064-1:2018, and verified by an independent body in accordance with ISO 14064-3:2019 standard.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

6491

(7.5.3) Methodological details

Greenhouse gas emissions emitted during recycling or disposal of wastes generated in the production have been calculated by multiplying waste amounts and emissions factors of waste recycling or disposal processes by type. Waste amount data is collected from production areas. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

3540

(7.5.3) Methodological details

Indirect GHG emissions from business travel include GHG emissions from international and domestic travel by road, railway, and airways. 100% of the business travels in Arçelik's HQ, own production plants, and joint ventures are included in the emission calculation. Distances are calculated by Google MapsTool and

emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

78021

(7.5.3) Methodological details

Indirect GHG emissions from employee commuting include GHG emissions from domestic transportation of employees from home to factories and back. 100% of the employees commuting in Arçelik's HQ, own production plants, and joint ventures are included in the emission calculation. Distances, routes, and employee numbers are taken from the Administration Department (due to contract with service contractor), and emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by the UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

We have no leased assets for storing only supplied materials from suppliers. Therefore, GHG emissions from Category 8 are included in Category 13 as a consolidated number.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

162190

(7.5.3) Methodological details

The greenhouse gas emissions from downstream transportation and distribution are generated from transportation activities of domestic, import, and export products by road, seaway, railways, and airways in Arçelik's own production plants and joint ventures. The calculation methodology is from “EPA Center for Corporate Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories”. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

3708

(7.5.3) Methodological details

GHG emissions from this category are generated from the treatment (recycling or landfill) of product packaging waste after the products are established in consumers’ houses. Average product packaging data and waste-based methods (based on waste type and waste treatment method) are used for calculations. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

25821408

(7.5.3) Methodological details

Indirect GHG emissions associated with the use of products are the emissions generated during the use-phase of Arçelik's sold products in 2022 in 10 years lifetime. The products which are taken into Arçelik's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, small domestic appliances (such as Turkish coffee machine, hair dryer, toaster, iron, etc.), water dispenser, and water heater product groups produced in Arçelik's own production plants and joint ventures in Turkey, Romania, Russia, South Africa, Pakistan, Bangladesh, Thailand, China, and India. In addition to its own production, GHG emissions from the use of outsourced products which are supplied from different countries and sold to different countries are also included in this category. GHG emissions generated from electricity and gas consumption of the products, and GHG emissions generated from refrigerant leakage from the product for 10 years lifetime are calculated. The energy consumption of the products is taken from energy labels. The gas capacity of refrigerators, freezers, air conditioners, and tumble dryers is used to calculate GHG emissions from refrigerant leakage. Country-specific electricity emission factors from the International Energy Agency (IEA) for 90% of countries where most of the products were sold are chosen according to the customer's countries of the sold products. For the rest, the average world electricity emission factor is used. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

23990

(7.5.3) Methodological details

GHG emissions in this category are generated by the recycling and/or disposal process of waste electrical and electronics equipment (WEEE) when 10 years lifetime period of our sold products is ended. GHG emissions are calculated by multiplying product weights (as WEEE) and WEEE recycling emission factors. The products which are taken into Arçelik's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispenser, small domestic appliances, and solar panel product groups produced in Arçelik's own production plants and joint ventures in Turkey, Romania, Russia, South Africa, Pakistan, Bangladesh, Thailand, China, and India. The weights of the products are collected from product BoM

lists, R&D, and other related departments. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by the UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

35236

(7.5.3) Methodological details

These GHG emissions are generated in warehouses. Arçelik uses the same warehouses for both materials from suppliers and finished products. Since the bigger part of the warehouse areas are used for finished products, GHG emissions of these warehouses are reported under "Category 13. Downstream leased assets" as a consolidated number including the GHG emissions from Category 8. It is calculated based on warehouse area and electricity consumption in these areas. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Since Arçelik does not have franchises, the GHG emissions from this category is not relevant.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

1770

(7.5.3) Methodological details

GHG emissions of Arçelik's sales offices and R&D centers in different countries are reported under this category. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

All related Scope 3 emissions have been calculated under Category 1-15

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

All related Scope 3 emissions have been calculated under Category 1-15
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

78559

(7.6.3) Methodological details

Scope 1 emissions are generated from stationary combustion, mobile combustion, gas leakage from air conditioners used in the offices, gas leakage at the charge stage for products such as refrigerators and ACs, fire extinguishers, and other GHG-related chemicals, biological wastewater treatment plants in production areas. IPCC Guidelines for National Greenhouse Gas Inventories, 2006 (and 2019 amendment), IPCC Sixth Assessment Report (IPCC AR6), and ISO 14064-1 Standard have been used for emission calculations. Annual consumptions of fuels and other Scope 1 inventory elements are used as activity data. Activity data are multiplied with emission factors to get emission amounts.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

82947

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

Scope 1 emissions are generated from stationary combustion, mobile combustion, gas leakage from air conditioners used in the offices, gas leakage at the charge stage for products such as refrigerators and ACs, fire extinguishers, and other GHG-related chemicals, biological wastewater treatment plants in production areas.

IPCC Guidelines for National Greenhouse Gas Inventories, 2006 (and 2019 amendment), IPCC Fifth Assessment Report (IPCC AR5), and ISO 14064-1 Standard have been used for emission calculations. Annual consumptions of fuels and other Scope 1 inventory elements are used as activity data. Activity data are multiplied with emission factors to get emission amounts.
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

89762

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.4) Methodological details

Our Scope 2 (location-based) emissions are emitted from grid electricity, calculated using the grid electricity emission factor from the International Energy Agency (IEA) and verified by an independent third-party organization. Our Scope 2 (market-based) emissions are only emitted from electricity purchased from renewable energy sources, and they are verified as "0" (zero) by an independent third-party organization. IPCC Guidelines for National Greenhouse Gas Inventories, 2006 (and 2019 amendment), IPCC Sixth Assessment Report (IPCC AR6), and ISO 14064-1 Standard have been used for emission calculations. Annual electricity consumption and other purchased energy consumption are used as activity data. Activity data are multiplied with the electricity emission factor from the International Energy Agency (IEA) to get emission amounts.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

92501

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/30/2022

(7.7.4) Methodological details

Our Scope 2 (location-based) emissions are emitted from grid electricity, calculated using the grid electricity emission factor from the International Energy Agency (IEA) and verified by an independent third-party organization. Our Scope 2 (market-based) emissions are only emitted from electricity purchased from renewable energy sources, and they are verified as "0" (zero) by an independent third-party organization. IPCC Guidelines for National Greenhouse Gas Inventories, 2006 (and 2019 amendment), IPCC Fifth Assessment Report (IPCC AR5), and ISO 14064-1 Standard have been used for emission calculations. Annual electricity consumption and other purchased energy consumption are used as activity data. Activity data are multiplied with the electricity emission factor from the International Energy Agency (IEA) to get emission amounts.
[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

4726308

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Average product method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The sources of indirect GHG emissions from purchased goods and services are raw materials, materials, and packaging materials used in Arçelik's sold products. The amounts are calculated by choosing the most sold product as the reference model. The products which are taken into Arçelik's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispanser, small domestic applainces and solar panel product groups produced in Arçelik's own production plants and joint ventures in Turkey, Romania, Russia, South Africa, Pakistan, Bangladesh, Thailand, China, and India. GHG emissions caused by used materials such as plastics, metals, dyes, chemicals, and other parts of the products are calculated by using the weight, sold product number, and emission factors of used materials. Material data (material types and weights) are collected from product BoM lists, R&D, and other related departments. Emissions factors are mainly taken from Ecoinvent Database and DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standard.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

263682

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The sources of indirect GHG emissions from capital goods are Arçelik's buildings, machinery, equipment, moulds, motor vehicles, and land improvements. The GHG emissions are calculated by using Arçelik's global spend-based data from Arçelik's related departments. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standard.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

18474

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The sources of indirect GHG emissions from fuel-and-energy-related activities (not included in Scope 1 or 2) are well-to-tank GHG emissions of fuel consumption reported in Scope 1 and distribution GHG emissions of electricity consumption reported in Scope 2. This category's emissions have been calculated using the GHG Emission Calculator Tool by the UNFCCC Secretariat. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standard.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

101539

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average product method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The sources of greenhouse gas emissions from upstream transportation and distribution are road, air, railways, and water-borne navigation activities during the import of raw materials and components from suppliers to our production plants. The calculation methodology is from "EPA Center for Corporate Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories". All calculations are completed in accordance with ISO 14064-1:2018, and verified by an independent body in accordance with ISO 14064-3:2019 standard.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

5200

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Greenhouse gas emissions emitted during recycling or disposal of wastes generated in the production have been calculated by multiplying waste amounts and emissions factors of waste recycling or disposal processes by type. Waste amount data is collected from production areas. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3758

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Indirect GHG emissions from business travel include GHG emissions from international and domestic travel by road, railway, and airways. 100% of the business travels in Arçelik's HQ, own production plants, and joint ventures are included in the emission calculation. Distances are calculated by Google MapsTool and emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

87018

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Indirect GHG emissions from employee commuting include GHG emissions from domestic transportation of employees from home to factories and back. 100% of the employees commuting in Arçelik's HQ, own production plants, and joint ventures are included in the emission calculation. Distances, routes, and employee numbers are taken from the Administration Department (due to contract with service contractor), and emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by the UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

We have no leased assets for storing only supplied materials from suppliers. Therefore, GHG emissions from Category 8 are included in Category 13 as a consolidated number.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

163945

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average product method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The greenhouse gas emissions from downstream transportation and distribution are generated from transportation activities of domestic, import, and export products by road, seaway, railways, and airways in Arçelik's own production plants and joint ventures 2023. The calculation methodology is from “EPA Center for Corporate

Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories". All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1593

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average product method

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

GHG emissions from this category are generated from the treatment (recycling or landfill) of product packaging waste after the products are established in consumers' houses. Average product packaging data and waste-based methods (based on waste type and waste treatment method) are used for calculations. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

26673327

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

☑ Average product method

☑ Methodology for direct use phase emissions, please specify **:**GHG emissions are calculated by using energy usages, refrigerant types and capacities of related products, sales units, and electricity emission factors of sales countries

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Indirect GHG emissions associated with the use of products are the emissions generated during the use-phase of Arçelik's sold products in 2023 in 10 years lifetime. The products which are taken into Arçelik's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, small domestic appliances (such as Turkish coffee machine, hair dryer, toaster, iron, etc.), water dispenser, and water heater product groups produced in Arçelik's own production plants and joint ventures in Turkey, Romania, Russia, South Africa, Pakistan, Bangladesh, Thailand, China, and India. In addition to its own production, GHG emissions from the use of outsourced products which are supplied from different countries and sold to different countries are also included in this category. GHG emissions generated from electricity and gas consumption of the products, and GHG emissions generated from refrigerant leakage from the product for 10 years lifetime are calculated. The energy consumption of the products is taken from energy labels. The gas capacity of refrigerators, freezers, air conditioners, and tumble dryers is used to calculate GHG emissions from refrigerant leakage. Country-specific electricity emission factors from the International Energy Agency (IEA) for 90% of countries where most of the products were sold are chosen according to the customer's countries of the sold products. For the rest, the average world electricity emission factor is used. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

22345

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average product method

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

GHG emissions in this category are generated by the recycling and/or disposal process of waste electrical and electronics equipment (WEEE) when 10 years lifetime period of our sold products is ended. GHG emissions are calculated by multiplying product weights (as WEEE) and WEEE recycling emission factors. The products which are taken into Arçelik's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispenser, small domestic appliances, and solar panel product groups produced in Arçelik's own production plants and joint ventures in Turkey, Romania, Russia, South Africa, Pakistan, Bangladesh, Thailand, China, and India. The weights of the products are collected from product BoM lists, R&D, and other related departments. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 published by the UK Government. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

30299

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

These GHG emissions are generated in warehouses. Arçelik uses the same warehouses for both materials from suppliers and finished products. Since the bigger part of the warehouse areas are used for finished products, GHG emissions of these warehouses are reported under “Category 13. Downstream leased assets” as a consolidated number including the GHG emissions from Category 8. It is calculated based on warehouse area and electricity consumption in these areas. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Since Arçelik does not have franchises, the GHG emissions from this category is not relevant.

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2361

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

GHG emissions of Arçelik's sales offices and R&D centers in different countries are reported under this category. All calculations are completed in accordance with ISO 14064-1:2018, and verified in accordance with ISO 14064-3:2019 standards.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

All related Scope 3 emissions have been calculated under Category 1-15

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

All related Scope 3 emissions have been calculated under Category 1-15
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/30/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

5151064

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

186235

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

19116

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

85622

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

6491

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

3540

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

78021

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

162190

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

3708

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

25821408

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

23990

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

35236

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

1770

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

The reason for restatement of 2022 emissions: Arçelik's Scope 3 emissions reported in previous year's CDP Climate Change Report have been revised due to the GHG inventory boundary expansion in a way to include JVs and new owned factories.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.1.4) Attach the statement

Arçelik ISO 14064 Verification Statement and Opinion.pdf

(7.9.1.5) Page/section reference

Page 1-22: ISO 14064 Verification Statement for HQ and production plants in Turkey, Romania, Russia, South Africa, Pakistan, Thailand, Bangladesh, China, and India (Table on page 2) Page 23-24: Verification Opinion Statement from the 3rd party verifier company Pages 25-51: Renewable energy certificates for HQ and production plants in Turkey and Romania

(7.9.1.6) Relevant standard

Select from:

☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.2.5) Attach the statement

Arçelik ISO 14064 Verification Statement and Opinion.pdf

(7.9.2.6) Page/ section reference

Page 1-22: ISO 14064 Verification Statement for HQ and production plants in Turkey, Romania, Russia, South Africa, Pakistan, Thailand, Bangladesh, China, and India (Table on page 2) Page 23-24: Verification Opinion Statement from the 3rd party verifier company Pages 25-51: Renewable energy certificates for HQ and production plants in Turkey and Romania

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.2.5) Attach the statement

Arçelik ISO 14064 Verification Statement and Opinion.pdf

(7.9.2.6) Page/ section reference

Page 1-22: ISO 14064 Verification Statement for HQ and production plants in Turkey, Romania, Russia, South Africa, Pakistan, Thailand, Bangladesh, China, and India (Table on page 2) Page 23-24: Verification Opinion Statement from the 3rd party verifier company Pages 25-51: Renewable energy certificates for HQ and production plants in Turkey and Romania

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Investments
☑ Scope 3: Capital goods
☑ Scope 3: Business travel
☑ Scope 3: Employee commuting
☑ Scope 3: Upstream leased assets
☑ Scope 3: Downstream leased assets
☑ Scope 3: Processing of sold products
☑ Scope 3: Purchased goods and services

☑ Scope 3: Use of sold products
☑ Scope 3: End-of-life treatment of sold products
☑ Scope 3: Upstream transportation and distribution
☑ Scope 3: Downstream transportation and distribution
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
☑ Scope 3: Waste generated in operations

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.3.5) Attach the statement

Arçelik ISO 14064 Verification Statement and Opinion.pdf

(7.9.3.6) Page/section reference

Page 1-22: ISO 14064 Verification Statement for HQ and production plants in Turkey, Romania, Russia, South Africa, Pakistan, Thailand, Bangladesh, China, and India (Table on page 2) (Scope 3 emissions have been reported according to ISO 14064) Page 23-24: Verification Opinion Statement from the 3rd party verifier company (Scope 3 emissions have been reported according to GHG Protocol and CDP Reporting) Pages 25-51: Renewable energy certificates for HQ and production plants in Turkey and Romania

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

6799

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

3.9

(7.10.1.4) Please explain calculation

*While total renewable electricity was 263,561 MWh in 2022, it realized a 5.6% increase to 278,304 MWh in 2023. (((278,304 - 263,561)/263,561)*100 5.6%) Thanks to an increase in renewable energy usage by 5.6% in 2023, we prevented 6,799.00 tonnes of CO2e which allowed us to reduce our total Scope 1 and Scope 2 emissions by 3.9% compared to the previous year. Calculation: Scope 12 emissions in 2022: 175,443.00 tonnes CO2e Scope 12 emissions reduction by increasing renewable energy usage by 5.6% in 2023: 6,799.00 tonnes CO2e % change: (6,799/175,443)*100 3.9% (decrease)*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

6983

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

4

(7.10.1.4) Please explain calculation

*Thanks to our energy efficiency projects realized in our production plants in 2023, we prevented 6,983.00 tonnes of CO2e which allowed us to reduce our total Scope 1 and Scope 2 emissions by 4% compared to the previous year. Calculation: Scope 12 emissions in 2022: 175,443.00 tonnes CO2e Scope 12 emissions reduction from the other emissions reduction activities: 6,983.00 tonnes CO2e % change: (6,983/175,443)*100 4% (decrease)*

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change from change in outputs.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change from the change in methodology.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.
[Fixed row]

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

(7.12.1.1) CO2 emissions from biogenic carbon (metric tons CO2)

86

(7.12.1.2) Comment

GHG emissions generated during wastewater treatment of biological wastewater generated in Arçelik's operations in Türkiye, Romania, Russia, South Africa, Pakistan, Bangladesh, India, China and Thailand have been calculated as 83 tonnes of CO2e in 2023. This amount covers GHG emissions generated in wastewater treatments in production plants, industrial zones, or municipalities. In addition to this, a small amount of biodiesel used in the production plant in Thailand caused 3 tonnes of CO2e as anthropogenic biogenic GHG emission in 2023. So, total biogenic GHG emissions in 2023 have been calculated as 86 tonnes of CO2e in 2023.
[Fixed row]

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

57430

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:
☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

121

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

182

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

19544

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:
☑ SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

56

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 6

(7.15.1.1) Greenhouse gas

Select from:
☑ Other, please specify **:**Chemicals

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1226

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)
[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

Bangladesh

(7.16.1) Scope 1 emissions (metric tons CO2e)

1108

(7.16.2) Scope 2, location-based (metric tons CO2e)

1067

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

China

(7.16.1) Scope 1 emissions (metric tons CO2e)

284

(7.16.2) Scope 2, location-based (metric tons CO2e)

5627

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

India

(7.16.1) Scope 1 emissions (metric tons CO2e)

335

(7.16.2) Scope 2, location-based (metric tons CO2e)

9156

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Pakistan

(7.16.1) Scope 1 emissions (metric tons CO2e)

10809

(7.16.2) Scope 2, location-based (metric tons CO2e)

7902

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Romania

(7.16.1) Scope 1 emissions (metric tons CO2e)

5429

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Russian Federation

(7.16.1) Scope 1 emissions (metric tons CO2e)

11684

(7.16.2) Scope 2, location-based (metric tons CO2e)

28257

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

South Africa

(7.16.1) Scope 1 emissions (metric tons CO2e)

2672

(7.16.2) Scope 2, location-based (metric tons CO2e)

21194

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Thailand

(7.16.1) Scope 1 emissions (metric tons CO2e)

3836

(7.16.2) Scope 2, location-based (metric tons CO2e)

16559

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Turkey

(7.16.1) Scope 1 emissions (metric tons CO2e)

42402

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0
[Fixed row]

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

Ankara Dishwasher Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1739

(7.17.2.3) Latitude

39.97582

(7.17.2.4) Longitude

32.563568

Row 2

(7.17.2.1) Facility

Bolu Cooking Appliances Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

9593

(7.17.2.3) Latitude

40.763176

(7.17.2.4) Longitude

31.64291

Row 3

(7.17.2.1) Facility

Arctic Washing Machine Plant – Ulmi, Romania

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

474

(7.17.2.3) Latitude

44.87399

(7.17.2.4) Longitude

25.507652

Row 4

(7.17.2.1) Facility

Dawlance DPL 1 Washing Machine and Refrigerator Plant – Karachi, Pakistan

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

283

(7.17.2.3) Latitude

24.854034

(7.17.2.4) Longitude

67.2216

Row 5

(7.17.2.1) Facility

Singer SMC Production Plant - Dakha, Bangladesh

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

452

(7.17.2.3) Latitude

23.813076

(7.17.2.4) Longitude

90.257322

Row 6

(7.17.2.1) Facility

Beko Thai Refrigerator Plant – Rayong, Thailand

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

691

(7.17.2.3) Latitude

12.818289

(7.17.2.4) Longitude

101.250272

Row 7

(7.17.2.1) Facility

Dawlance Uril Refrigerator Plant – Hyderabad, Pakistan

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3306

(7.17.2.3) Latitude

25.073671

(7.17.2.4) Longitude

67.666345

Row 8

(7.17.2.1) Facility

Arctic Refrigerating Appliances Plant – Gaesti, Romania

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

4955

(7.17.2.3) Latitude

44.7136

(7.17.2.4) Longitude

25.340552

Row 9

(7.17.2.1) Facility

Beko LLC Refrigerator and Washing Machine Plant – Kirzhach, Russia

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

8917

(7.17.2.3) Latitude

56.105792

(7.17.2.4) Longitude

38.84756

Row 10

(7.17.2.1) Facility

Manisa Washing Machine and Refrigerator Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1825

(7.17.2.3) Latitude

38.714933

(7.17.2.4) Longitude

27.333727

Row 12

(7.17.2.1) Facility

Defy Refrigerating Appliances Plant – Ezakheni, South Africa

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

413

(7.17.2.3) Latitude

-28.639284

(7.17.2.4) Longitude

29.84094

Row 13

(7.17.2.1) Facility

Sütlüce Headquarter - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1439

(7.17.2.3) Latitude

41.047518

(7.17.2.4) Longitude

28.941751

Row 14

(7.17.2.1) Facility

Singer SRP Production Plant - Dakha, Bangladesh

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

656

(7.17.2.3) Latitude

23.793512

(7.17.2.4) Longitude

90.272365

Row 15

(7.17.2.1) Facility

Çerkezköy Electronics Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1670

(7.17.2.3) Latitude

41.31463

(7.17.2.4) Longitude

27.97888

Row 16

(7.17.2.1) Facility

Eskişehir Refrigerator and Compressor Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

9000

(7.17.2.3) Latitude

39.746225

(7.17.2.4) Longitude

30.618559

Row 17

(7.17.2.1) Facility

Dawlance DPL 2 Cooking Appliances and A/C Plant – Karachi, Pakistan

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

7220

(7.17.2.3) Latitude

24.855077

(7.17.2.4) Longitude

67.227685

Row 18

(7.17.2.1) Facility

Çerkezköy Tumble Dryer and Electric Motors Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2238

(7.17.2.3) Latitude

41.306196

(7.17.2.4) Longitude

27.965484

Row 19

(7.17.2.1) Facility

Defy Cooking Appliances, Tumble Dryer and Washing Machine Plant –Jacobs, South Africa

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2259

(7.17.2.3) Latitude

-29.92353

(7.17.2.4) Longitude

30.974529

Row 20

(7.17.2.1) Facility

Çayırova Washing Machine Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

5398

(7.17.2.3) Latitude

40.821279

(7.17.2.4) Longitude

29.361822

Row 21

(7.17.2.1) Facility

Arçelik Hitachi Washing Machine Plant - China

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

284

(7.17.2.3) Latitude

31.230416

(7.17.2.4) Longitude

121.473701

Row 22

(7.17.2.1) Facility

Arçelik Hitachi Refrigerator Plant and Arçelik Hitachi Washing Machine Plant - Thailand

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3145

(7.17.2.3) Latitude

14.067561

(7.17.2.4) Longitude

101.832537

Row 23

(7.17.2.1) Facility

Arçelik LG Air Conditioner Plant

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

9497

(7.17.2.3) Latitude

40.81847

(7.17.2.4) Longitude

29.359804

Row 24

(7.17.2.1) Facility

IHP Appliances JSC Refrigerator Plant and IHP Appliances JSC Washing Machine Plant-Russia

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2767

(7.17.2.3) Latitude

52.567163

(7.17.2.4) Longitude

39.684386

Row 25

(7.17.2.1) Facility

Voltbek Refrigerator Plant, India

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

335

(7.17.2.3) Latitude

22.984409

(7.17.2.4) Longitude

72.261857

Row 26

(7.17.2.1) Facility

Beylikdüzü Solar Panel Plant - Turkey

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3

(7.17.2.3) Latitude

41.303332

(7.17.2.4) Longitude

27.96144
[Add row]

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

Ankara Dishwasher Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 2

(7.20.2.1) Facility

Bolu Cooking Appliances Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 3

(7.20.2.1) Facility

Arctic Washing Machine Plant – Ulmi, Romania

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 4

(7.20.2.1) Facility

Dawlance DPL 1 Washing Machine and Refrigerator Plant – Karachi, Pakistan

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1985

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 5

(7.20.2.1) Facility

Singer SMC Production Plant - Dakha, Bangladesh

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

158

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 6

(7.20.2.1) Facility

Beko Thai Refrigerator Plant – Rayong, Thailand

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3012

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 7

(7.20.2.1) Facility

Dawlance Uril Refrigerator Plant – Hyderabad, Pakistan

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3561

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 8

(7.20.2.1) Facility

Arctic Refrigerating Appliances Plant – Gaesti, Romania

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 9

(7.20.2.1) Facility

Beko LLC Refrigerator and Washing Machine Plant – Kirzhach, Russia

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

8777

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 10

(7.20.2.1) Facility

Manisa Washing Machine and Refrigerator Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 11

(7.20.2.1) Facility

Defy Refrigerating Appliances Plant – Ezakheni, South Africa

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

13614

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 12

(7.20.2.1) Facility

Sütlüce Headquarter - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 13

(7.20.2.1) Facility

Singer SRP Production Plant - Dakha, Bangladesh

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

909

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 14

(7.20.2.1) Facility

Çerkezköy Electronics Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 15

(7.20.2.1) Facility

Eskişehir Refrigerator and Compressor Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 16

(7.20.2.1) Facility

Dawlance DPL 2 Cooking Appliances and A/C Plant – Karachi, Pakistan

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2356

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 17

(7.20.2.1) Facility

Çerkezköy Tumble Dryer and Electric Motors Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 18

(7.20.2.1) Facility

Defy Cooking Appliances, Tumble Dryer and Washing Machine Plant –Jacobs, South Africa

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

7580

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 19

(7.20.2.1) Facility

Çayırova Washing Machine Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 20

(7.20.2.1) Facility

Shanghai, China Arçelik Hitachi Washing Machine Plant

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

5627

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 21

(7.20.2.1) Facility

Arçelik Hitachi Refrigerator Plant, Thailand and Arçelik Hitachi Washing Machine Plant

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

13547

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 22

(7.20.2.1) Facility

Arçelik LG Air Conditioner Plant

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 23

(7.20.2.1) Facility

IHP Appliances JSC Refrigerator Plant and IHP Appliances JSC Washing Machine Plant, Russia

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

19480

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 24

(7.20.2.1) Facility

Voltbek Refrigerator Plant, India

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

9156

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 25

(7.20.2.1) Facility

Beylikdüzü Solar Panel Plant - Turkey

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0
[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

78559

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

89762

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

The coverage of GHG Emissions data is HQ and all manufacturing facilities, including JVs. Scope 1 and Scope 2 emissions reported in Questions 7.6 and 7.7 represents the consolidated accounting group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

There are no entities that are excluded from the financial statements.
[Fixed row]

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Arçelik LG Air Conditioner Plant (Turkey)

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

9497

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

Arçelik-LG AC Plant in Turkey is one of Arçelik's joint ventures and subsidiaries. Arçelik-LG is already in the scope of Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 2

(7.23.1.1) Subsidiary name

Singer SMC & SRP Production Plants (Bangladesh)

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

1108

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

1067

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Singer in Bangladesh is one of Arçelik's subsidiaries. Singer's two production plants are already in Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 3

(7.23.1.1) Subsidiary name

Defy Jacobs & Ezakheni Production Plants (South Africa)

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

2672

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

21194

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Defy in South Africa is one of Arçelik's subsidiaries. Two production plants of the Defy are already in Arçelik's GHG inventory and its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 4

(7.23.1.1) Subsidiary name

Beko Thailand (Thailand)

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

691

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

3012

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Beko Thailand Plant in Thailand is one of Arçelik's joint ventures and subsidiaries. One production plant of the Beko Thai is already in the scope of Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 5

(7.23.1.1) Subsidiary name

Beko LLC (Russia Federation))

(7.23.1.2) Primary activity

Select from:
☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

8917

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

8777

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

Beko LLC in Russia is one of Arçelik's subsidiaries. Two production plants of the Beko LLC are already in Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 6

(7.23.1.1) Subsidiary name

Dawlance DPL 1 & DPL 2 & URIL Production Plants (Pakistan)

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

10809

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

7902

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Dawlance in Pakistan is one of Arçelik's subsidiaries. Three production plants of the Dawlance are already in Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 7

(7.23.1.1) Subsidiary name

Arctic Gaeşti Refrigerating Appliances Plant & Ulmi Washing Machine Plant (Romania)

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

5429

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

Arctic in Romania is one of Arçelik's subsidiaries. Two production plants of the Arctic are already in Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 8

(7.23.1.1) Subsidiary name

IHP Appliances JSC Refrigerator Plant and IHP Appliances JSC Washing Machine Plant (Russia)

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

2767

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

19480

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

IHP in Russia is one of Arçelik's subsidiaries. Two production plants of the IHP are already in Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 9

(7.23.1.1) Subsidiary name

Voltbek Refrigerator Plant, India

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

335

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

9156

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

Voltbek in India is one of Arçelik's joint ventures and subsidiaries. One production plant of the Voltbek is already in Arçelik's GHG inventory. So, its Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

Row 10

(7.23.1.1) Subsidiary name

AHSH - Arçelik Hitachi Washing Machine Plant - China, AHTH-1 Arçelik Hitachi Refrigerator Plant -Thailand and AHTH-2 Arçelik Hitachi Washing Machine Plant - Thailand

(7.23.1.2) Primary activity

Select from:

☑ Household appliances

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

3429

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

19174

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

AHSH in China, AHTH-1, and AHTH-2 in Thailand are three of Arçelik's joint ventures and subsidiaries. These production plants are already in Arçelik's GHG inventory. So, their Scope 1 and 2 GHG emissions have already been reported under 7.6, 7.7, 7.17.2, and 7.20.2 questions in the CDP questionnaire.

[Add row]

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:* ☑ Yes
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

270531

(7.30.1.4) Total (renewable and non-renewable) MWh

270531

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

266026

(7.30.1.3) MWh from non-renewable sources

158892

(7.30.1.4) Total (renewable and non-renewable) MWh

424918

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

15286

(7.30.1.4) Total (renewable and non-renewable) MWh

15286

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

25428

(7.30.1.4) Total (renewable and non-renewable) MWh

25428

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

12278

(7.30.1.4) Total (renewable and non-renewable) MWh

12278

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

278304

(7.30.1.3) MWh from non-renewable sources

470137

(7.30.1.4) Total (renewable and non-renewable) MWh

748441
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ No
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

1228

(7.30.7.8) Comment

Breakdown of the "Sustainable Biomass" that Arçelik consumed during the reporting year is given table. Bioethanol: 696 MWh and consumed only for vehicle fuel. Biodiesel: 532 MWh and consumed only for vehicle fuel.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

"Other Biomass" are not consumed.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

"Other Renewable Fuels" are not consumed.

Coal

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

"Coal" is not consumed.

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

30190

(7.30.7.8) Comment

Breakdown of the "Oil" that Arçelik consumed during the reporting year is given table.

Gas

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

219671

(7.30.7.8) Comment

"Gas" or a.k.a. "Natural Gas" is consumed for heat.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

19442

(7.30.7.8) Comment

Breakdown of the non-renewable fuels that Arçelik consumed during the reporting year is given table. Fuel-Oil: Total of 30 MWh and consumed 100% for self-generation of heat. LPG: Total of 19323 MWh and consumed 100% for self-generation of heat. CNG: Total of 89 MWh and consumed 100% for self-generation of heat.

Total fuel

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

270531

(7.30.7.8) Comment

Total fuel consumption of Arçelik during the reporting period are given.
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

12278

(7.30.9.2) Generation that is consumed by the organization (MWh)

12278

(7.30.9.3) Gross generation from renewable sources (MWh)

12278

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

12278

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ Turkey

(7.30.14.2) Sourcing method

Select from:
☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:
☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Large hydropower (>25 MW)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

213300

(7.30.14.6) Tracking instrument used

Select from:

☑ Other, please specify **:**YEK-G

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

(7.30.14.10) Comment

“Renewable Energy Guarantees of Origin System (YEK-G) & Organized YEK-G Market” is designed to monitor all processes of the generated electricity from the producer to the consumer by utilizing the blockchain technology entirely through Energy Exchange Istanbul (EXIST) or Enerji Piyasaları İşletme A.Ş. (EPİAŞ) by its Turkish name, EXIST’s own means. Turkish national YEK-G system, where participation is provided entirely on a “voluntary basis”, became operational on June 1, 2021. As Arçelik, we have provided 78% of our green electricity with EAC from a hydropower plant which locates in Turkey, under the guarantee of Turkish National Renewable Energy Guarantees of Origin System (YEK-G). *Energy Exchange Istanbul (EXIST) or Enerji Piyasaları İşletme A.Ş. (EPİAŞ) by its Turkish name is an energy exchange company was established on March 18, 2015. EXIST, legally incorporated under the Turkish Electricity Market Law and enforced by the Energy Markets Operation License granted by the Energy Markets Regulatory Authority (EMRA) of Turkey. EXIST is responsible for managing and operating energy markets, including power and gas commodities. EXIST ensures transparent, reliable and trustworthy market conditions by providing a central counterparty service. As an*

energy exchange EXIST, provides market environments where Exchange members send their orders to buy or sell energy in determined delivery platforms. Its task is to carry out matching all buy or sell orders in transparent manner, according to the regulatory manner and to establish a reference price.

Row 2

(7.30.14.1) Country/area

Select from:

☑ Turkey

(7.30.14.2) Sourcing method

Select from:

☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Small hydropower (<25 MW)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

4087

(7.30.14.6) Tracking instrument used

Select from:

☑ Other, please specify **:**YEK-G

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

(7.30.14.10) Comment

"Renewable Energy Guarantees of Origin System (YEK-G) & Organized YEK-G Market" is designed to monitor all processes of the generated electricity from the producer to the consumer by utilizing the blockchain technology entirely through Energy Exchange Istanbul (EXIST) or Enerji Piyasaları İşletme A.Ş. (EPİAŞ) by its Turkish name, EXIST's own means. Turkish national YEK-G system, where participation is provided entirely on a "voluntary basis", became operational on June 1, 2021. As Arçelik, we have provided 78% of our green electricity with EAC from a hydropower plant which locates in Turkey, under the guarantee of Turkish National Renewable Energy Guarantees of Origin System (YEK-G). *Energy Exchange Istanbul (EXIST) or Enerji Piyasaları İşletme A.Ş. (EPİAŞ) by its Turkish name is an energy exchange company was established on March 18, 2015. EXIST, legally incorporated under the Turkish Electricity Market Law and enforced by the Energy Markets Operation License granted by the Energy Markets Regulatory Authority (EMRA) of Turkey. EXIST is responsible for managing and operating energy markets, including power and gas commodities. EXIST ensures transparent, reliable and trustworthy market conditions by providing a central counterparty service. As an energy exchange EXIST, provides market environments where Exchange members send their orders to buy or sell energy in determined delivery platforms. Its task is to carry out matching all buy or sell orders in transparent manner, according to the regulatory manner and to establish a reference price.*

Row 3

(7.30.14.1) Country/area

Select from:

☑ Romania

(7.30.14.2) Sourcing method

Select from:

☑ Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Renewable energy mix, please specify **:**Hydro, Solar, Wind, Biomass and Other Renewables

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

39225

(7.30.14.6) Tracking instrument used

Select from:

☑ GO

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Romania

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

We are purchasing our electricity from a local supplier, which has a huge renewable portfolio. At the end of each year, they are sharing a statement (Statement on the Provision of Renewable Electricity) to explain the electricity supplied to Arctic Romania is generated from renewable sources. With this statement, Arctic Romania's energy consumption is verified with AA1000 Assurance Standard by an independent 3rd party. We have also, in the Portal section of the ANRE website, we can see

of the guarantees of origin directly in the unique register of guarantees of origin, by filling in the series number requested in the section "Display customer guarantee of origin".

Row 4

(7.30.14.1) Country/area

Select from:

☑ Thailand

(7.30.14.2) Sourcing method

Select from:

☑ Direct line to an off-site generator owned by a third party with no grid transfers (direct line PPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

9414

(7.30.14.6) Tracking instrument used

Select from:

☑ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Thailand

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

(7.30.14.10) Comment

Arçelik Hitachi Thailand plant met approximately 25% of its annual electricity consumption from a long-term PPA (Power Purchase Agreements) with floating solar PV plant in 2023. Arçelik Hitachi Thailand plant has direct line to an off-site flooting solar PV Plant owned by a third party with no grid transfer.
[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Bangladesh

(7.30.16.1) Consumption of purchased electricity (MWh)

2020

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2020.00

China

(7.30.16.1) Consumption of purchased electricity (MWh)

8994

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

8994.00

India

(7.30.16.1) Consumption of purchased electricity (MWh)

13214

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

13214.00

Pakistan

(7.30.16.1) Consumption of purchased electricity (MWh)

19961

(7.30.16.2) Consumption of self-generated electricity (MWh)

572

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

20533.00

Romania

(7.30.16.1) Consumption of purchased electricity (MWh)

39225

(7.30.16.2) Consumption of self-generated electricity (MWh)

1804

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

41029.00

Russian Federation

(7.30.16.1) Consumption of purchased electricity (MWh)

57142

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

39995

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

97137.00

South Africa

(7.30.16.1) Consumption of purchased electricity (MWh)

22826

(7.30.16.2) Consumption of self-generated electricity (MWh)

920

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

23746.00

Thailand

(7.30.16.1) Consumption of purchased electricity (MWh)

44150

(7.30.16.2) Consumption of self-generated electricity (MWh)

1214

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

45364.00

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

217387

(7.30.16.2) Consumption of self-generated electricity (MWh)

7768

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

719

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

225874.00
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

9.78e-7

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

168321

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

172179220691

(7.45.5) Scope 2 figure used

Select from:
☑ Location-based

(7.45.6) % change from previous year

45.8

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Other emissions reduction activities

☑ Change in revenue

(7.45.9) Please explain

One of the main reasons for the decrease in the Scope 1 2 emission intensity is in 2023, we have carried out a total of 373 energy-saving projects at production sites, resulting in a total energy conservation of around 95,680 GJ. As a result of our enhanced efficiency, we have been able to avoid emitting 6,983 tCO2e. In addition, fluctuations in currency exchange rate of Turkish Lira and inflationary economic situation in Turkey, considering that Arçelik has a significant proportion of its revenue in Turkish Liras, is another factor.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

☑ Waste

(7.52.2) Metric value

132367

(7.52.3) Metric numerator

tonnes

(7.52.4) Metric denominator (intensity metric only)

-

(7.52.5) % change from previous year

3

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

The total waste (hazardous, non-hazardous, and packaging waste) amount decreased by 3% in 2023 compared to the previous year, including waste prevention, reduction, and minimization projects in Arçelik's production plants. Manufacturing plants covered in the waste reporting 2023 consist of plants in Turkey, Bangladesh, Romania, Russia, Thailand, Pakistan, South Africa, India, and China. Calculation: Waste amount in 2022 (tonnes): 128,489 Waste amount in 2023 (tonnes): 132,367 % change from the previous year: 3% (Decrease).

Row 2

(7.52.1) Description

Select from:

☑ Energy usage

(7.52.2) Metric value

2694386

(7.52.3) Metric numerator

GJ

(7.52.4) Metric denominator (intensity metric only)

-

(7.52.5) % change from previous year

22.23

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

The total energy usage has increased by 22.23% in 2023 compared to the previous year, including energy efficiency and reduction projects in Arçelik's production plants due to new acquisitions and the integration of new plants in 2023. Manufacturing plants covered in the energy reporting 2023 consist of plants in Turkey, Bangladesh, India, China, Romania, Russia, Thailand, Pakistan, and South Africa. Energy Consumption in 2022 (GJ): 2,204,282 Energy Consumption in 2023 (GJ): 2,694,386 % change from the previous year: 22.23% (Increase).
[Add row]

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Decision Letter - Arcelik.pdf

(7.53.1.4) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.1.5) Date target was set

11/22/2020

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.11) End date of base year

12/30/2018

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

85584

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

77202

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

162786.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

30

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

113950.200

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

62530

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

41951

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

104481.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

119.39

(7.53.1.80) Target status in reporting year

Select from:

☑ Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers Scope 1 and Scope 2 emissions of HQ, production plants in Turkey, Romania, Russia, South Africa, Pakistan, Thailand, and Bangladesh. Joint ventures are not included in the scope of the target. Please note that Arçelik submitted its new and more ambitious science-based targets aligned with 1.5C to SBTi. The targets are currently in validation process. We reported these new targets as Abs 3 and Abs 4.

(7.53.1.83) Target objective

Our 2030 GHG emissions reduction targets were approved in November 2020 by the Science-Based Targets Initiative (SBTi), for working toward a "well-below 2C" scenario in line with the Paris Agreement. We commit to reducing our absolute Scope 1 and Scope 2 GHG emissions by 30% by 2030 from the 2018 base year, and our target is approved by SBTi. This target covers 100% of organization-wide Scope 1-2 emissions disclosed in this row. The reason why Arçelik has set an emission reduction target is its awareness that without stronger action on emissions, the strategy of maintaining a sustainable and profitable business will be impossible due to the increasing impact of climate-related business disruptions as well as tightening climate regulations. If we do not take action against increasing emissions and climate change, not only will our operations be subject to discontinuity, which will negatively impact profitability, but also will emission-related regulations such as the CBAM and ETS pose challenges to our profitability. Thus, we take planetary boundaries and ecological systems, physical and transition climate-related risks into account and set emission reduction targets.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

We are committed to having ISO 50001 certification for all our factories by 2025 which we held for 78% of our factories (HQ included) in 2023. We have also committed to double the economic output for every unit of energy consumed globally by 2030, compared to 2010. As of 2023, we have reached 100% towards this commitment. In 2023, we have carried out a total of 373 energy-saving projects at production sites, resulting in a total energy conservation of around 95,680 GJ. As a result of our enhanced efficiency, we have been able to avoid emitting 6,983 tCO2e In 2023, our green electricity ratio is 64% in our manufacturing operations which is in line with our target of increasing the green electricity ratio to 100% in all countries where we have production facilities by 2030. While Türkiye and Romania manufacturing facilities purchased 100% green electricity, Arçelik Hitachi Thailand plant met approximately 25% of its annual electricity consumption from a long-term PPA (Power Purchase Agreements) with floating solar PV plant in 2023. With technologies at some of our factories such as photovoltaics, concentrated solar power and a solar wall, we have reached a total of 20.3 MW solar plant capacity as of the end of 2023. These allowed the generation of 44,200 GJ of electricity and prevention of 5,885 tCO2e emissions in 2023.*

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Decision Letter - Arcelik.pdf

(7.53.1.4) Target ambition

Select from:

☑ 2°C aligned

(7.53.1.5) Date target was set

11/22/2020

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/30/2018

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

22921834

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

22921834.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

22921834.000

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

80.5

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

80.5

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

15

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

19483558.900

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

15510534

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

15510534.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

15510534.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

215.55

(7.53.1.80) Target status in reporting year

Select from:

☑ Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

Base year and reporting year emissions shared in this row are organization-wide total Scope 3 emissions from use of sold products. Since Scope 3 emissions from the use of sold products constitute the majority of total Scope 3 emissions (80.5%), the target has been set only for the GHG emissions from the use of sold products. Other Scope 3 emissions such as from purchased goods and services, upstream and downstream transportation, etc. have been excluded from the target. Please note that Arçelik submitted its new and more ambitious science-based targets aligned with 1.5C to SBTi. The targets are currently in validation process. We reported these new targets as Abs 3 and Abs 4.

(7.53.1.83) Target objective

Our 2030 GHG emissions reduction targets were approved in November 2020 by the Science-Based Targets Initiative (SBTi), for working toward a "2C aligned" scenario in line with the Paris Agreement. We commit to reducing our absolute Scope 3 GHG emissions from the use of sold products by 15% by 2030 from the 2018 base year. This target covers company-wide Scope 3 emissions from the use of the sold products. The reason why Arçelik has set an emission reduction target is its awareness that without stronger action on emissions, the strategy of maintaining a sustainable and profitable business will be impossible due to the increasing impact of climate-related business disruptions as well as growing consumer demand for energy-efficient products. Considering that 80% of Arçelik's Scope 3 emissions are stemming from the energy consumed during the use phase of the appliances sold, producing resource-efficient products is critical. If we do not take action against increasing emissions and climate change will our operations be subject to discontinuity, which will negatively impact profitability. In addition, since consumers demand and prefer more energy-efficient household products, our scope 3 use of sold target helps us to seize the financial opportunity of increasing sales of these product groups and set emission reduction targets.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

At Arçelik, we design recyclable products to reduce environmental impact. Our primary focus in a product life cycle is on reducing the overall usage of energy of our products.. In 2023, 62.4% of our revenue was obtained from our low carbon products and avoided emissions were 363,090 tCO2e emissions. In 2023, more than 50.2% of our revenue comes from the sales of energy-efficient products. For example, A class fridges consume 67% less energy compared to the F energy class and

B class fridges consume 59% less energy. EnergySpin technology in Beko washing machines allows to save energy up to 35% for daily programs and AquaTech Technology uses up to 30% less energy consumption than A energy limit.

Row 3

(7.53.1.1) Target reference number

Select from:

☑ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/30/2024

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Location-based

(7.53.1.11) End date of base year

12/30/2022

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

82947

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

92501

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

175448.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

42

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

101759.840

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

78559

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

89762

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

168321.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

9.67

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

With our new 1.5C-aligned target, we broaden the scope of our climate-related target to HQ and all manufacturing facilities including joint ventures for Scope 1 and 2. This target is currently at approval process by SBTi.

(7.53.1.83) Target objective

With the new near-term target, Arçelik commits to reduce its absolute Scope 1 and Scope 2 emissions by 42% by 2030 from a 2022 base year. The reason why Arçelik has set an emission reduction target is its awareness that without stronger action on emissions, the strategy of maintaining a sustainable and profitable business will be impossible due to the increasing impact of climate-related business disruptions and tightening climate regulations. If we do not take action against increasing emissions and climate change, not only will our operations be subject to discontinuity, which will negatively impact profitability, but also will emission-related regulations such as the CBAM and ETS pose challenges to our profitability. Thus, we take planetary boundaries and ecological systems, physical and transition climate-related risks into account and set emission reduction targets.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Road map: •Implementing energy efficiency projects including compressed air, energy efficiency in HVAC systems and lighting systems, insulation, heat recovery, energy efficient motor transition, and process optimization • Improving energy efficiency in buildings and LEED-certified manufacturing facilities • Increasing the number of ISO 50001 EnMS-certified factories and doubling economic output for every unit of energy consumed • Electrification in manufacturing • Low GWP refrigerant usage in manufacturing • Transition to electric cars and forklifts • Use of green hydrogen where possible • Making significant investments to achieve the 2030 target to reach 50 MW renewable energy capacity before the deadline and starting to work towards surpassing 100 MW capacity by 2050 • Aiming for 100% renewable electricity with renewable energy systems for self-consumption and EACs and PPAs in all manufacturing facilities • Using more renewable thermal energy in manufacturing facilities. Please refer to our 2023 Sustainability Report on page 40 for the details of the actions planned and page 34 for the related targets and respective progress.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 4

(7.53.1.1) Target reference number

Select from:

☑ Abs 5

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/30/2024

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 1
☑ Scope 2
☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Location-based

(7.53.1.10) Scope 3 categories

Select all that apply
☑ Scope 3, Category 14 – Franchises
☑ Scope 3, Category 15 – Investments
☑ Scope 3, Category 2 – Capital goods
☑ Scope 3, Category 6 – Business travel
☑ Scope 3, Category 7 – Employee commuting
☑ Scope 3, Category 5 – Waste generated in operations
☑ Scope 3, Category 12 – End-of-life treatment of sold products
☑ Scope 3, Category 4 – Upstream transportation and distribution
☑ Scope 3, Category 9 – Downstream transportation and distribution
☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)
☑ Scope 3, Category 11 – Use of sold products
☑ Scope 3, Category 8 - Upstream leased assets
☑ Scope 3, Category 13 – Downstream leased assets
☑ Scope 3, Category 1 – Purchased goods and services
☑ Scope 3, Category 10 – Processing of sold products

(7.53.1.11) End date of base year

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

82947

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

92501

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

5151064

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

186235

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

19116

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

85622

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

6491

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

3540

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

78021

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

0

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

162190

(7.53.1.23) Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

3708

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

25821408

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

23990

(7.53.1.26) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

35236

(7.53.1.27) Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

0

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

1770

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

31578391.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

31753839.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

(7.53.1.44) Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

(7.53.1.47) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

100

(7.53.1.48) Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

3175383.900

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

78559

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

89762

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

4726308

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

263682

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

18474

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

101539

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

5200

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3758

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

87018

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

163945

(7.53.1.68) Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

1593

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

26673327

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

22345

(7.53.1.71) Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

30299

(7.53.1.72) Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

2361

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

32099849.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

32268170.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-1.80

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

Arçelik commits to reduce absolute Scope 1, Scope 2, and Scope 3 GHG emissions by 90% by 2050 from a 2022 base year. We aim to do this by taking challenging innovative actions in our entire value chain. For our 10% residual emissions, we commit to investing in qualified nature and/or technology-based carbon removal projects in line with the SBTi Net Zero Standard. With our new 1.5C-aligned targets, we broaden the scope of our climate-related target to all manufacturing facilities including joint ventures for Scope 1, 2 and Scope 3 emissions.

(7.53.1.83) Target objective

With the new long-term target, Arçelik commits to reduce absolute Scope 1, Scope 2, and Scope 3 GHG emissions 90% by 2050 from a 2022 base year. For our 10% residual, we commit to investing in carbon removal projects. The reason why Arçelik has set an emission reduction target is its awareness that without stronger action on emissions, the strategy of maintaining a sustainable and profitable business will be impossible due to the increasing impact of climate-related business disruptions, tightening climate regulations, and growing consumer demand for energy-efficient products. If we do not take action against increasing emissions and climate change, not only will our operations be subject to discontinuity, which will negatively impact profitability, but also will emission-related regulations such as the CBAM and ETS pose challenges to our profitability. Thus, we take planetary boundaries and ecological systems, physical and transition climate-related risks into account and set emission reduction targets. Additionally, considering that 80% of Arçelik's Scope 3 emissions are stemming from the energy consumed during the use phase of the appliances sold, producing resource-efficient products is critical. In addition, since consumers demand and prefer more energy-efficient household products, our scope 3 use of sold target helps us to seize the financial opportunity of increasing sales of these product groups and set emission reduction targets.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Please refer to our 2023 Sustainability Report on page 40 for the details concerning the complete and detailed net zero roadmap including actions planned for reducing Scope 1, Scope 2, and Scope 3 emissions from the use phase, suppliers, and logistics. Please refer to page 34 for the related targets and respective progress.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 5

(7.53.1.1) Target reference number

Select from:

☑ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/30/2024

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/30/2022

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

23259032

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

23259032.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

23259032.000

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

90

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

74

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

74

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

42

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

13490238.560

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

24659976

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

24659976.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

24659976.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-14.34

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

With our new 1.5C-aligned targets, we broaden the scope of our climate-related. For Scope 3 emissions stemming from the use phase, the target includes MDAs, SDAs, TVs and A/Cs.

(7.53.1.83) Target objective

With the new near-term target, Arçelik commits to reduce its Scope 3 emissions from use of sold products by 42% 2030 from a 2022 base year. The reason why Arçelik has set an emission reduction target is its awareness that without stronger action on emissions, the strategy of maintaining a sustainable and profitable business will be impossible due to the increasing impact of climate-related business disruptions, tightening climate regulations, and growing consumer demand for energy-efficient products. If we do not take action against increasing emissions and climate change, not only will our operations be subject to discontinuity, which will negatively impact profitability, but also will emission-related regulations such as the CBAM and ETS pose challenges to our profitability. Thus, we take planetary boundaries and ecological systems, physical and transition climate-related risks into account and set emission reduction targets. Additionally, considering that 80% of Arçelik's Scope 3 emissions are stemming from the energy consumed during the use phase of the appliances sold, producing resource-efficient products is critical. In addition, since consumers demand and prefer more energy-efficient household products, our scope 3 use of sold target helps us to seize the financial opportunity of increasing sales of these product groups and set emission reduction targets.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

• Increasing penetration of super energy-efficient products globally, including developing and emerging countries without energy regulation • Increasing penetration of solar-powered refrigerating appliances • Accelerating the phase-out of high GWP refrigerants with the transition of low GWP refrigerants in all our products • Increased R&D for efficient and affordable products • Using refrigerators comprising low thermal conductivity insulators, fully VIP-based insulation, injectable aerogel applications • Implementing new and novel heat pump technologies, VCC compressor with higher performance • Using non-fluorinated refrigerant heat pump systems in all washing machines and dishwashers • Increasing communication activities on environmentally friendly products, energy and water-saving tips at home with the aim to educate consumers to make informed choices • Creating applications allowing gamification-based awareness campaigns with the users of connected appliances for more energy and water saving based on preferences of the consumer and more awards generated • Collaborating with relevant stakeholders including NGOs which follow programs that develop energy efficiency policies on household products to increase minimum energy efficiency labelling requirements especially in emerging markets • Working with financing institutions to make energy-efficient appliances financially available for more consumers Please refer to our 2023 Sustainability Report on page 40 for the details of the actions planned and page 34 for the related targets and respective progress.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No
[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:
☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:
☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.5) Date target was set

08/18/2018

(7.53.2.6) Target coverage

Select from:
☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)
☑ Methane (CH4)
☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply
☑ Scope 1
☑ Scope 2
☑ Scope 3

(7.53.2.11) Intensity metric

Select from:
☑ Metric tons CO2e per unit revenue

(7.53.2.12) End date of base year

12/30/2018

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0002784102

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

12/30/2030

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.83) Target status in reporting year

Select from:

☑ Revised

(7.53.2.85) Explain target coverage and identify any exclusions

Target covers all Scope 1&2 and use phase Scope 3 emissions. Joint ventures not included in scope & not all MDA included in the scope

(7.53.2.86) Target objective

We have a core responsibility to decarbonize our industry swiftly, ensuring the healthy growth of our business while safeguarding our planet. Ensuring the energy efficiency of our manufacturing and products is at the heart of our decarbonization vision. This also allows us to be in line with the upcoming regulatory requirements such as EU ETS and minimize any additional cost up due to taxation related to emissions.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.2.1) Target reference number

Select from:

☑ Int 2

(7.53.2.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.2.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.53.2.11) Intensity metric

Select from:

☑ Metric tons CO2e per unit revenue

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0002784102

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100.0

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

[Add row]

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

12/30/2019

(7.54.1.3) Target coverage

Select from:

☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2019

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

314537

(7.54.1.9) % share of low-carbon or renewable energy in base year

71.9

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

64

(7.54.1.13) % of target achieved relative to base year

-28.11

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, the result of this target (Low 1) will affect our other emission-reduction targets.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ No, it’s not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

All Arçelik Global production facilities are included in the scope. In 2023, the scope of this target has been extended due to new acquisitions and the integration of new plants. Besides, we could not purchase EAC for our Russia Plants since green electricity certification issuing body has ceased their operations in Russia. This is why the 2023 actuals seem lower than those for 2022. We will continue purchasing green electricity in all countries where Arçelik has production facilities (based on the availability of green electricity in those countries) by 2030. In addition to this, we are installing solar power plants to meet our own electricity consumption.

(7.54.1.20) Target objective

The target’s objective is to achieve 100% green electricity usage in all manufacturing facilities.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

Arçelik aims to supply all the consumed electricity in all manufacturing plants as green electricity (generated from renewable energy sources) by 2030. Although the progress seems to decrease in green electricity supplying, Arçelik expand its boundaries by integration new production plants in the reporting year. In 2019, the total global consumed electricity was 314,537 MWh and 71.9% of total consumed electricity was green electricity which equals 226,019 MWh. However, in 2023 the total consumed electricity is 437,196 MWh and 64% of total consumed electricity is green electricity which equals 278,304 MWh. It can be seen clearly that, the absolute green electricity amount is increased. Besides Turkey and Romania operations (we have reached 100% ratio in both Turkey and Romania operations), in 2023 Arçelik Hitachi Thailand plant met approximately 25% of its annual electricity consumption from a long term PPA with floating solar PV plant. In 2023, the scope of this target has been extended due to new acquisitions and the integration of new plants. Besides, we could not purchase EAC for our Russia Plants since green electricity certification issuing body has ceased their operations in Russia. We will continue purchasing green electricity in all countries where Arçelik has production facilities (based on the availability of green electricity in those countries) by 2030. In addition to this, we are installing solar power plants to meet our own electricity consumption.
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:
☑ Oth 1

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy productivity

☑ ton of oil equivalents (TOE)

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☑ unit of production

(7.54.2.7) End date of base year

12/30/2015

(7.54.2.8) Figure or percentage in base year

0

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

45

(7.54.2.11) Figure or percentage in reporting year

25.7

(7.54.2.12) % of target achieved relative to base year

57.1111111111

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, the result of this target (Oth 1) will affect our other targets.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

In 2023, the reporting scope covered all manufacturing plants by adding IHP Russia plants. Due to this, the progression of the target was affected.

(7.54.2.19) Target objective

Reduce energy consumption per product by 45% in all manufacturing facilities (base year 2015) by the end of 2030. In 2023, a 25.7% reduction has been achieved.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

We invest in improvement and better alternatives for energy efficiency. We continue our work in areas such as energy efficiency, insulation, heat recovery, energy efficient motor transition, and process optimisation in compressed air, heating, ventilation, and air conditioning systems and lighting systems. In 2023, we have carried out a total of 373 energy-saving projects at production sites, resulting in a total energy conservation of around 95,680 GJ. As a result of our enhanced efficiency, we have been able to avoid emitting 6,983 tCO2e and save TRY 40,833,009. We define our energy efficiency projects with global workshops with brainstorming sessions and roll out the best practices through the global production plants systematically in each year.

Row 2

(7.54.2.1) Target reference number

Select from:

☑ Oth 2

(7.54.2.2) Date target was set

12/30/2021

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy productivity

☑ units of revenue

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☑ GJ

(7.54.2.7) End date of base year

12/30/2010

(7.54.2.8) Figure or percentage in base year

0

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

100

(7.54.2.11) Figure or percentage in reporting year

100

(7.54.2.12) % of target achieved relative to base year

100.0000000000

(7.54.2.13) Target status in reporting year

Select from:

☑ Achieved

(7.54.2.15) Is this target part of an emissions target?

Yes, the result of this target (Oth 2) will affect our other emission-related targets.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ EP100

(7.54.2.18) Please explain target coverage and identify any exclusions

In 2023, Arçelik's all manufacturing facilities are included in the scope, no exceptions are made.

(7.54.2.19) Target objective

Doubling energy productivity (compared to base year 2010) by the end of 2030. As of 2023, we have reached 100% towards this commitment. *This ratio calculated with FY 2023 data. In EP100's 2023 Annual Report, Arçelik's data was given as FY 2022 data.*

(7.54.2.21) List the actions which contributed most to achieving this target

At Arçelik, we are working to minimize our energy-related environmental footprint through our various energy efficiency projects and increasing use of renewable energy. In this context, regular energy audits play a critical role to ensure that our performance is in line with our targets. ISO 50001 EnMS surveillance audits are conducted annually by a third-party auditing company. We periodically conduct detailed internal energy audits to uncover the energy efficiency potential in our factories. In order to achieve our goals, we invest in solutions for energy efficiency, and work on areas such as insulation, heat recovery, energy-efficient motor transition, and process optimization in compressed air, heating, ventilation, air conditioning and lighting systems. In addition, we have reduced our use of natural gas by closing our cogeneration plants. With technologies at some of our factories such as photovoltaics, concentrated solar power and a solar wall, we have reached a total of 20.3 MW solar plant capacity as of the end of 2023.

Row 3

(7.54.2.1) Target reference number

Select from:

☑ Oth 3

(7.54.2.2) Date target was set

12/30/2021

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy productivity

☑ Other, energy productivity, please specify **:**Percentage of ISO 50001 EnMS Certified Production Plants

(7.54.2.7) End date of base year

12/30/2019

(7.54.2.8) Figure or percentage in base year

52

(7.54.2.9) End date of target

12/30/2025

(7.54.2.10) Figure or percentage at end of date of target

100

(7.54.2.11) Figure or percentage in reporting year

78

(7.54.2.12) % of target achieved relative to base year

54.1666666667

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, the result of this target (Oth 3) will affect our other emission-related targets.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ EP100

(7.54.2.18) Please explain target coverage and identify any exclusions

The coverage in 2023 consists of Arçelik A.Ş.(Headquarters & all Manufacturing Facilities)

(7.54.2.19) Target objective

Implement ISO 50001 Energy Management Systems across all manufacturing facilities by the end of 2025.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

As a member of EP100, a global initiative led by the international non-profit Climate Group, we are committed to having ISO 50001 certification for all manufacturing facilities by 2025 which we held fo 78% of our manufacturing facilities (HQ included) in 2023. Arçelik has committed to increasing the ISO50001 certified factories to 100%. ISO 50001 EnMS surveillance audits are carried out by a third-party audit company each year. The coverage in 2023 consists of Arçelik A.Ş. (Headquarters & Manufacturing Facilities, excluding Solar Panel Facility in İstanbul/Türkiye), Arctic, Beko LLC, Dawlance, IHP Appliances, Arçelik Hitachi, Arçelik-LG. We have a roadmap to increase our ISO 50001 EnMS coverage and reach 100% by 2025.

Row 4

(7.54.2.1) Target reference number

Select from:

☑ Oth 4

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

☑ Percentage of plastic from recycled sources

(7.54.2.7) End date of base year

12/30/2019

(7.54.2.8) Figure or percentage in base year

0

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

40

(7.54.2.11) Figure or percentage in reporting year

10

(7.54.2.12) % of target achieved relative to base year

25.0000000000

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, the result of this target (Oth 4) will affect our other emission-related targets.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The coverage consists of MDAs produced at manufacturing facilities excluding JVs and IHP Russia Plants.

(7.54.2.19) Target objective

Increase recycled plastic content to 40% in products.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

We innovate products with increasing recycled plastics in a wide range of products. Thanks to the innovative recycled material formulations we have been developing over the years, each year we increase the recycled plastic usage. In 2023, 10% recycled plastics was achieved in our own factories for the production of major domestic appliances (MDAs) and TV.

Row 5

(7.54.2.1) Target reference number

Select from:

☑ Oth 5

(7.54.2.2) Date target was set

12/30/2020

(7.54.2.3) Target coverage

Select from:

☑ Suppliers

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

☑ Percentage of suppliers (by procurement spend) actively engaged on climate-related issues

(7.54.2.7) End date of base year

12/30/2020

(7.54.2.8) Figure or percentage in base year

0

(7.54.2.9) End date of target

12/30/2025

(7.54.2.10) Figure or percentage at end of date of target

100

(7.54.2.11) Figure or percentage in reporting year

27.99

(7.54.2.12) % of target achieved relative to base year

27.9900000000

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, the result of this target (Oth 5) will affect our other emission-related targets.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The target's coverage consists of suppliers corresponding to 90% of purchasing volume of Tier-1 material and OEM suppliers.

(7.54.2.19) Target objective

Collect, monitor, and publicly disclose compiled data of suppliers' Scope 1–2 GHG emissions, energy, water, and waste and encourage them to set their own targets.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

We aim to equip our suppliers with the necessary tools to stay proactive, to embed sustainability into growth strategy and to prepare for upcoming regulations. We analyze the needs of suppliers and ensure access to resources allocated for further cooperation. Arçelik continues to carry out its activities in line with its sustainability goals by including its suppliers in the process. The target projects include the Supplier ESG Target setting project as well as focus projects on raw material reduction, increasing recycled material consumption, increasing energy efficiency, renewable energy usage and increasing digitalization capabilities of the suppliers. Arçelik provided customized trainings to these suppliers on how to set GHG reduction, water reduction, energy efficiency and renewable energy targets in a given base year against a target year, how to make measurements and how to take concrete actions based on Arçelik's expertise in these areas. In November 2021, we started to circulate a letter (herein referred to as the "Commitment Letter") to our suppliers explaining our sustainability strategy, our sustainability credentials and our Science Based Targets as well as the 2030 environmental targets. We have asked our suppliers to sign the Commitment Letter, and to commit to setting their own targets for GHG emissions, water consumption, waste reduction and energy efficiency. We also have a requirement that suppliers share these targets publicly on their websites and in their sustainability reports and report on progress in the same way we do. To date, 166 suppliers have signed the Commitment Letter. Arçelik has been working in close collaboration with the suppliers who signed the Commitment Letter to set publicly available targets.

Row 6

(7.54.2.1) Target reference number

Select from:

☑ Oth 6

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy productivity

☑ Other, energy productivity, please specify **:**Installed Solar Capacity (MW)

(7.54.2.7) End date of base year

12/30/2019

(7.54.2.8) Figure or percentage in base year

2.1

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

50

(7.54.2.11) Figure or percentage in reporting year

20.3

(7.54.2.12) % of target achieved relative to base year

37.9958246347

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, the result of this target (Oth 6) will affect our other emission-related targets.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The target's coverage consists of all manufacturing facilities.

(7.54.2.19) Target objective

Establish renewable energy systems with 50 MW capacity by the end of 2030.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

According to our solar road map, we set our 2030 target as having 50 MW installed renewable energy capacity by 2030. Accordingly, we have created a Renewable Energy Road Map and initiated the feasibility studies in all our global production facilities. In order to achieve this target, we invest in renewable energy projects. In the reporting period, we have reached a total capacity of 20.3 MW.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

01/30/2024

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs3

☑ Abs4

☑ Abs5

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

(7.54.3.10) Explain target coverage and identify any exclusions

Arçelik commits to reduce absolute Scope 1, Scope 2, and Scope 3 GHG emissions 90% by 2050 from a 2022 base year. We aim to do this by taking challenging innovative actions in our entire value chain. For our 10% residual emissions, we commit to investing in qualified nature and/or technology-based carbon removal projects in line with the SBTi Net Zero Standard. With our new 1.5C-aligned targets, we broaden the scope of our climate-related target to all manufacturing facilities including joint ventures for Scope 1, 2 and Scope 3 emissions.

(7.54.3.11) Target objective

With the new long-term target, Arçelik commits to reduce absolute Scope 1, Scope 2, and Scope 3 GHG emissions 90% by 2050 from a 2022 base year. For our 10% residual, we commit to investing in carbon removal projects. The reason why Arçelik has set an emission reduction target, on top of its respect for the planet, is its awareness that without stronger action on emissions, the strategy of maintaining a sustainable and profitable business will be impossible due to the increasing impact of climate-related business disruptions, tightening climate regulations, and growing consumer demand for energy-efficient products. If we do not take action against increasing emissions and climate change, not only will our operations be subject to discontinuity, which will negatively impact profitability, but also will emission-related regulations such as the CBAM and ETS pose challenges to our profitability. Thus, we take planetary boundaries and ecological systems, physical and transition climate-related risks into account and set emission reduction targets. Additionally, considering that 80% of Arçelik's Scope 3 emissions are stemming from the energy consumed during the use phase of the appliances sold, producing resource-efficient products is critical. In addition, since consumers demand and prefer more energy-efficient household products, our scope 3 use of sold target helps us to seize the financial opportunity of increasing sales of these product groups and set emission reduction targets.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, but we plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation

☑ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Arçelik commits to reduce absolute Scope 1, Scope 2, and Scope 3 GHG emissions 90% by 2050 from a 2022 base year. For our 10% residual emissions, we commit to investing in qualified nature and/or technology-based carbon removal projects in line with the SBTi Net Zero Standard. We plan to establish renewable energy capacity of 50 MW by 2030. We also aim to create a carbon credit portfolio that complies with the Core Principles of the Integrity Council for the Voluntary Carbon Markets (ICVCM), especially with additionality, permanence and no double counting principles. We closely monitor existing carbon credit generating projects with world renowned standards such as Gold Standards and Verra. We also consider cooperation and involvement in upcoming projects. These potential projects and investment options are presented to the senior management during Sustainability Council meetings in order to create a roadmap for neutralisation.

(7.54.3.17) Target status in reporting year

Select from:

☑ New

(7.54.3.19) Process for reviewing target

Arçelik's 1,5 degree-aligned net zero target is annually being reviewed by examining the emissions data, reviewing emission reduction initiatives and presenting the progress to the senior management for feedback and discussing new initiatives. Every year, a verification process by a third-party is conducted for Scope 1, 2 and 3 emissions.
[Add row]

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*0*	*`Numeric input*
To be implemented	*76*	*1796*
Implementation commenced	*10*	*276*
Implemented	*377*	*10892*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

81

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

465271

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

6388727

(7.55.2.7) Payback period

Select from:
☑ 11-15 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 16-20 years

(7.55.2.9) Comment

Lighting projects include the changing of inefficient lighting fixtures (fluorescent, metalhalide lamps) with LED technology, using the motion and presence sensors to reduce the consumption when there is no occupancy, increasing the daylight utilization in plants etc.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Compressed air

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1159

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

7821377

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

10006403

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Compression losses can be reduced by using fittings with low losses, revising and optimising the pipeline and compressor rooms, reducing the number of equipment which use compressed air, reducing the set pressure of air compressors, making regular checks for leak detection and making compressed air production more effective. Most of the initiatives can be implemented with low financial investments or no budget required, and lifetime of application is usually long.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Process optimization

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

3473

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

18427321

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

47657720

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Process optimisation projects are usually low-budget activities, thus they have shortterm payback periods such as implementing new sensors, monitoring devices in several areas, reducing the cycle times of the processes, changing or cancelling the unnecessary operations to provide the same work with less energy consumption. As Arçelik, we analyse our processes and implement optimisation projects to decrease our base consumption

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Smart control system

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

628

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

3536714

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

769795

(7.55.2.7) Payback period

Select from:

☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Smart control system can help to increase the efficiency of processes by controlling the HVAC and lighting systems with integrated control equipment such as timers, lighting automation with daylight sensors, presence sensors etc.

Row 5

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Automation

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

336

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

3536714

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

769795

(7.55.2.7) Payback period

Select from:

☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Automation projects are usually low budget activities. Thus they have short-term payback periods; such as adding new sensors or monitoring devices in several areas, adapting the automation codes and algorithms to the equipment and SCADA. Projects, which are categorised as automation as follows; preventing the redundant energy consumption of machines/equipment during non production times and inactive hours (such as brake times).

Row 6

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

67

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

557299

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

482293

(7.55.2.7) Payback period

Select from:

☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

High efficient technologies can help to reduce the energy consumption during their lifetime. Life cycle cost analyse is one of the important decision criteria while procuring an equipment in Arçelik. Since 2020, we have switched to Shadow Carbon Price mechanism from Implicit Carbon Price mechanism. Thus, we are choosing low-carbon technology equipment in our operations.

Row 7

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Other, please specify **:**Insulation

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

344

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

2414231

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

3277196

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Insulation of exposed pipings, boilers, drying ovens with materials which have low thermal conductivity. As Arçelik, we conduct periodical controls to check the insulations of process pipelines, machines/equipment, auxiliary facilities with thermal imaging systems to find and execute the insulation activities. Insulation of exposed surfaces can help to reduce the heat leakages, that brings out the reduction of energy consumption (both for cooling and heating side). Furthermore, insulation of cooling pipelines prevents the pipings from corrosion as well.

Row 8

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Heating, Ventilation and Air Conditioning (HVAC)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

326

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

2021615

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

4265395

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Implementing high efficient HVAC technologies reduce the GHG emissions and energy consumption while improving the indoor air quality. As Arçelik, we are following and if applicable, implementing the new technologies in HVAC equipment just like in other improvement activities. (Such as using variable speed A/C fans, improvement of funnel ventilation, using dehumidifiers instead of A/C plants, using new and high efficient technologies, using air curtains to prevent conditioned air leakages etc.)

Row 9

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Motors and drives

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

373

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

2282974

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

3485081

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

As Arçelik, we generally use new energy efficient electric motors in IE3 and IE4 classes. To decrease the mechanical losses and increase the efficiency we have implemented permanent magnet motor technology in some projects. We also apply inverters to electric motors which have varying loads according to their feasibility.

Row 10

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Electrification

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

194

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

1051226

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

543907

(7.55.2.7) Payback period

Select from:

☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

As Arçelik, we are reducing our Scope-1 emissions by converting diesel-fueled forklifts to electric forklifts.

Row 11

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Waste heat recovery

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

10090

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

67988

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Heat recovery is the process by which heat would be lost in processes is recovered and used somewhere else, improving the energy efficiency of the processes and facility. With adding some new equipment and making some changes/revisions in pipelines, it is possible to use the waste heat.

Row 12

(7.55.2.1) Initiative category & Initiative type

Waste reduction and material circularity

☑ Remanufacturing

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2818

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 3 category 12: End-of-life treatment of sold products

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

452000000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ <1 year

(7.55.2.9) Comment

All production plants in Turkey have their own remanufacturing operations. In 2023, 57,072 products including consumer electronics, televisions, and major and small domestic appliances are refurbished in our remanufacturing places in the production plants, which means that we prevent these products from becoming waste electrical and electronics equipment (WEEE). The number of sold remanufacturing products is approx. 57,072. By doing so, we have saved approximately 2,181 tons of CO2e. The project does not have specific investments.

Row 13

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1091

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

8511796

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

194602413

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 21-30 years

(7.55.2.9) Comment

In 2023, with the completion of 2.1 MWp solar power plant at Arctic Gaesti Plant in Romania, 1.5 MWp solar power plant at Arctic Ulmi Plant in Romania and 6.5 MWp solar power plant at Çerkezköy Electronic Plant in Turkey, the total installed solar power capacity at Arçelik plants reached 20.3 MW.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Internal price on carbon

(7.55.3.2) Comment

At Arçelik, we use an internal carbon pricing mechanism in order to identify investment costs more accurately by taking into account a possible climate transition scenario where Emissions Trading Systems (ETS) or a potential additional cost mechanism for some raw materials may come into force within the framework of the EU Green Deal. Considering these scenarios and implementing an internal carbon pricing mechanism as a strategic decision-making component related to capital investments paves the way for reducing financial risks that may arise in the short and medium term. We use Shadow Price internal carbon pricing mechanism with a price of EUR 50 per tCO2e applied for the machinery and equipment investments above 50 kW installed capacity and EUR 50,000 capital cost. In order to determine this price, scenario analyses, scientific studies and existing carbon pricing trajectories have been taken into account on top of examining the peers, systems such as CBAM and ETS. Using this mechanism helps us change internal behavior, especially in purchasing practices. By using a carbon price, we drive low carbon investments and identify which investments offer low carbon opportunities, navigate risks related to GHG regulations and stress test major risk items. We also encourage our suppliers to use internal carbon pricing to spread the best practices throughout the value chain and enhance supplier engagement and awareness.

Row 5

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Arçelik's R&D Departments design innovative and environmentally friendly products with less energy and water consumption in use-phase while they provide resource efficiency in the production phase by decreasing raw material consumption and increasing recycled content in the products. Currently, Arçelik holds a number of records about white goods consuming the least energy. Arçelik drives investment to low-carbon product R&D with the support of its green financing instruments. We issued green bonds with a nominal value of EUR 350 million and a five-year maturity in 2021. As of December 31, 2023, Arçelik had allocated all EUR 350 million of its Green Bond net proceeds to Eligible Green Projects including energy-efficient, eco-efficient, and circular economy-adapted products and the promotion of energy efficiency in production. Thus, the proceeds support the company's emission reduction initiatives including but not limited to investments in energy and water efficient products.

Row 6

(7.55.3.1) Method

Select from:

☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

Targets to reduce energy consumption are set at the beginning of each year and compliance with the planned target is monitored systematically and periodically. As a part of this, energy budgets and energy efficiency investment budgets are determined annually, and projects are realized according to allocated budgets. Arçelik is able to prioritize energy efficiency investment with the help of its green financing instruments. We issued green bonds with a nominal value of EUR 350 million and a five-year maturity in 2021. As of December 31, 2023, Arçelik had allocated all EUR 350 million of its Green Bond net proceeds to Eligible Green Projects including energy-efficient, eco-efficient, and circular economy-adapted products and the promotion of energy efficiency in production. Thus, the proceeds support the company's emission reduction initiatives including but not limited to energy efficiency in production.
[Add row]

(7.73.2) Complete the following table for the goods/services for which you want to provide data.

	Requesting member
Row 1	*Select from:*

[Add row]

(7.73.3) Complete the following table with data for lifecycle stages of your goods and/or services.

	Requesting member
Row 1	*Select from:*

[Add row]

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Other, please specify **:**Resource efficiency applications as raw material reduction

(7.74.1.3) Type of product(s) or service(s)

Other

☑ Other, please specify **:**White goods and electronic products (washing machine, washer-dryer, dishwasher, tumble dryer, refrigerator, freezer, oven, TV, air conditioner, small domestic appliance (SDA))

(7.74.1.4) Description of product(s) or service(s)

“Reduced raw materials (resource efficiency) in products and packaging” refers to the reduced environmental impact from the production phase of products. The coverage is products which achieved material reduction in comparison with the previous model. It can be any material used in product and/or packaging such as plastics, metals, or glasses. Please note that Arçelik has two other low carbon product categories which are “Resource efficiency applications as recycled and/or bio composite plastic materials in products” and “energy efficient products”. The data provided in this row belongs to “reduced raw materials in products and packaging”. However, some products may also fall into the categories of “Resource efficiency applications as recycled and/or bio composite plastic materials in products” and “energy efficient products”.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**Multiplying weights of reduced raw material with related material emission factors

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Cradle-to-gate

(7.74.1.8) Functional unit used

Production of products and packaging with reduced raw materials in 2023

(7.74.1.9) Reference product/service or baseline scenario used

Baseline for resource-efficient products are the products that are produced without any resource efficiency actions (without raw material reduction).

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

5367

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Avoided Emissions from reduced raw materials was calculated by amount of reduced raw material weights, and multiplied these amounts with material emission factors from the Ecoinvent database or DEFRA dataset published by UK Government. Avoided emission from reduced raw materials in 2023 has been calculated as 5,367 tonnes of CO2e.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

38.3

Row 2

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Other, please specify **:**Resource efficiency applications as recycled content increase in the products

(7.74.1.3) Type of product(s) or service(s)

Other

☑ Other, please specify **:**White goods and electronic products (washing machine, washer-dryer, dishwasher, tumble dryer, refrigerator, freezer, oven, TV, air conditioner, small domestic appliance (SDA))

(7.74.1.4) Description of product(s) or service(s)

“Resource efficiency applications as recycled and/or bio composite plastic materials in products” refers to improving the circularity of materials from the use of recycled materials. The coverage is products that included recycled plastics and/or bio composite materials. Please note that Arçelik has two other low carbon product categories which are “Reduced raw materials (resource efficiency) in products and packaging” and “energy efficient products”. The data provided in this row belongs to “Resource efficiency applications as recycled and/or bio composite plastic materials in products”. However, some products may also fall into the categories of “Reduced raw materials (resource efficiency) in products and packaging” and “energy efficient products”

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**Multiplying weights of recycled materials with related material emission factors

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Cradle-to-gate

(7.74.1.8) Functional unit used

Production of products that included recycled and/or bio composite plastic materials in 2023

(7.74.1.9) Reference product/service or baseline scenario used

Baseline for products with recycled or bio materials is the same product with only virgin materials.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

41429

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Avoided Emissions from recycled content in products was calculated by amount of total recycled plastic and bio composite plastic consumption and multiplied these amounts with material emission factors from the Ecoinvent database or DEFRA dataset published by UK Government. Avoided emission from recycled content in 2023 has been calculated as 41,429 tonnes of CO2e

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

51.3

Row 3

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Other, please specify **:**Energy label regulations in different countries such as EU countries, Australia, South Africa Russian , China, etc.

(7.74.1.3) Type of product(s) or service(s)

Other

☑ Other, please specify **:**White goods and electronic products (washing machine, washer-dryer, dishwasher, tumble dryer, refrigerator, freezer, oven, TV, air conditioner, small domestic appliance (SDA)

(7.74.1.4) Description of product(s) or service(s)

"Energy-efficient products" refers to the reduced environmental impact that results from the use phase of products. The coverage is products that consume less energy than the lowest "allowable" energy efficiency classes based on the available regulations in the specific countries. "Allowable" refers to the lowest energy class allowed in the related market. It was calculated by considering products that have higher energy efficiency levels than the allowable class on the related market. Please note that Arçelik has two other low carbon product categories which are "Reduced raw materials (resource efficiency) in products and packaging" and "Resource efficiency applications as recycled and/or bio composite plastic materials in products". The data provided in this row belongs to "energy efficient products". However, some products may also fall into the categories of "Reduced raw materials (resource efficiency) in products and packaging" and "Resource efficiency applications as recycled and/or bio composite plastic materials in products".

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**Multiplying energy saving amount from energy-efficient sold products with country specific electricity emission factors

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

Energy consumption of energy-efficient products in 2023

(7.74.1.9) Reference product/service or baseline scenario used

Baseline energy-efficient products are the products that consume the lowest "allowable" energy and water efficiency classes in the market.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

316294

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Avoided emissions were calculated by multiplying energy saving amount by energy efficient sold products in reporting year with country-specific electricity emission factors. We multiply electricity saving (kWh) with the electricity emissions factor (kg CO2e/kWh) of related countries. The electricity emission factors are supplied from estimated IEA for all countries. Avoided emissions for third parties (consumers) from these products in 2023 have been calculated as 316,294 tonnes of CO2e

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

50.2

[Add row]

C9. Environmental performance - Water security

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We measure water withdrawals using flowmeter counters and invoices.

(9.2.4) Please explain

100% of water withdrawals are monitored and measured by counters and invoices in a monthly period. In addition, Arçelik's water withdrawal 2023 data reported in Arçelik Global Sustainability Report 2023 is verified according to AA1000AS (Arçelik Global Sustainability Report 2023 uploaded to the system)

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We measure water withdrawals water withdrawal volumes using flowmeter counters and invoices.

(9.2.4) Please explain

100% of water withdrawal volume by sources is monitored and measured by counters and invoices in a monthly period. In addition, Arçelik's water withdrawal volumes by sources reported in Arçelik Global Sustainability Report 2023 is verified according to AA1000AS (Arçelik Global Sustainability Report 2023 uploaded to system)

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Yearly

(9.2.3) Method of measurement

Water withdrawals quality is monitored using accredited lab analysis.

(9.2.4) Please explain

100% of water withdrawals' quality is monitored by testing and analyzing in a yearly period.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We use flowmeter counters and invoices to measure discharge volumes.

(9.2.4) Please explain

100% of water discharges are monitored and measured by counters and invoices in a monthly period. Arçelik's water discharge volumes reported in Arçelik Global Sustainability Report 2023 are verified according to AA1000AS. (Arçelik Global Sustainability Report 2023 uploaded to system)

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We use flowmeter counters and invoices to measure discharge volumes by destination.

(9.2.4) Please explain

100% of water discharges by destination are monitored and measured by counters in a daily and monthly period. Tracking destination provides data regarding how watersheds may be affected.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

We use flowmeter counters and invoices to measure discharge volumes by treatment.

(9.2.4) Please explain

100% of water discharges by treatment method are monitored and measured by counters in a daily period. Arçelik has a list of treatment methods by plant in order to better understand water quality, discharge locations and the effect, if any, on the watershed.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We monitor water discharge quality by standard effluent parameters using internal and accredited lab analysis.

(9.2.4) Please explain

100% of water discharge quality data are monitored by testing and analyzing in a monthly period. Arçelik has water management guideline which includes wastewater subjects to have a global approach. In this guideline, potential water pollutants identified and classified associated with our activities.Our facilities divided in two categories according to their process as follow i) facilities which produce domestic wastewater only ii) facilities which produce industrial and/or mixed wastewater.For the first category we defined 5 parameters and for the second category we defined 22 parameters including standart effluent parameter. Arçelik will follow these parameters, even if they are not mandatory in local regulations. Arçelik's water discharge quality-by standart effluent parameter COD, TSS, Oil and grease 2023 data verified in accordance with AA1000AS and reported in Arçelik Global Sustainability Report 2023.(Arçelik Global Sustainability Report 2023 uploaded to system)

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We monitor water discharge quality- emissions to water using internal and accredited lab analysis.

(9.2.4) Please explain

100% of water discharge quality data are monitored by testing and analyzing in a monthly period. Arçelik has water management guideline which includes wastewater subjects to have a global approach. Our facilities divided in two categories according to their process as follow i) facilities which produce domestic wastewater only ii)

facilities which produce industrial and/or mixed wastewater.For the first category we defined 5 parameters and for the second category we defined 22 parameters including emissions to water. Arçelik will follow these parameters, even if they are not mandatory in local regulations. Arçelik also periodically check nitrates, phosphates if they are obligatory for the facility. Arçelik's water discharge quality Nirites, Heavy Metals such as Chromium, Cadmium, Lead, Nickel 2023 data verified in accordance with AA1000AS and reported in Arçelik Global Sustainability Report 2023.(Arçelik Global Sustainability Report 2023 uploaded to system)

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We use accredited lab analysis to monitor temperature in water discharge quality.

(9.2.4) Please explain

Arçelik ensures that discharged wastewater remains below legal discharge limits in order to protect water resources and biodiversity in the regions, and Arçelik periodically checks compliance with these standards. Then, Arçelik discharges wastewater to the municipal sewage line connected to municipal/industrial wastewater treatment plant. Although the temperature of discharged water is not an obligatory parameter for Arçelik, 100% of Arçelik production facilities' water discharge quality - temperature data are monitored via local authority analysis reports in a monthly period.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

We measure our water consumption using flowmeter counters.

(9.2.4) Please explain

100% of water consumption data are monitored in a monthly period. In Arçelik, water consumption data reported is calculated as water withdrawal quantity minus water discharge quantity. 100% of water withdrawal and water discharge data are monitored and measured by counters in a monthly period.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Flowmeter-Counter

(9.2.4) Please explain

100% of recycled/reused water data are monitored and measured by counters in a monthly period.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Quarterly

(9.2.3) Method of measurement

Accredited lab analysis

(9.2.4) Please explain

Arçelik is providing a safe and healthy work environment for all employees at 100% of its facilities. Drinking water is monitored by analyzing in a 3-month period and other domestic water is monitored by analyzing in a yearly period.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

1827.81

(9.2.2.2) Comparison with previous reporting year

Select from:
☑ Much higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Mergers and acquisitions

(9.2.2.4) Five-year forecast

Select from:

☑ Much higher

(9.2.2.5) Primary reason for forecast

Select from:

☑ Mergers and acquisitions

(9.2.2.6) Please explain

2023, we included Arçelik-Hitachi Thailand and Arçelik-Hitachi China, Voltbek-India, Arçelik-LG Turkey and IHP Home Appliances-Russia plants operations by expanding our reporting scope. The water withdrawal of our operations in 2023 increased by 23% compared to 2022. Thus, comparison with the previous reporting year is selected as “Much Higher” according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%. In addition, it is expected that water withdrawal per product will be decreased with water efficiency studies. In 5 year projection, due to the increase production amount at existing plants and expansion of scope, the water withdrawal will remain "Much Higher" compared to 2023. In addition, it is expected that water withdrawal per product will be decreased with water efficiency studies.

Total discharges

(9.2.2.1) Volume (megaliters/year)

1579.89

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Mergers and acquisitions

(9.2.2.4) Five-year forecast

Select from:

☑ Much higher

(9.2.2.5) Primary reason for forecast

Select from:

☑ Mergers and acquisitions

(9.2.2.6) Please explain

2023, we included Arçelik-Hitachi Thailand and Arçelik-Hitachi China, Voltbek-India, Arçelik-LG Turkey and IHP Home Appliances-Russia plants operations by expanding our reporting scope. The total discharge of our operations in 2023 increased by 24% compared to 2022 because we included above plants water withdrawals. Thus, comparison with the previous reporting year is selected as “Much Higher” according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%. In addition, it is expected that total discharged water per product will be decreased with water efficiency studies. In 5 year projection,due to the increase production amount at existing plants and expansion of scope, the total water discharge will remain "Much Higher" compared to 2022.

Total consumption

(9.2.2.1) Volume (megaliters/year)

247.92

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Mergers and acquisitions

(9.2.2.4) Five-year forecast

Select from:
☑ Higher

(9.2.2.5) Primary reason for forecast

Select from:
☑ Mergers and acquisitions

(9.2.2.6) Please explain

Consumption data reported is calculated as water withdrawal quantity minus water discharge quantity. The total consumption of our operations in 2023 increased by 14% compared to 2022.Thus, comparison with the previous reporting year is selected as "Higher" according to our thresholds as given below Threshold: Much lower: -20% Lower: -19% to-11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%.
[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:
☑ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

1247.83

(9.2.4.3) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☑ Mergers and acquisitions

(9.2.4.5) Five-year forecast

Select from:

☑ Much higher

(9.2.4.6) Primary reason for forecast

Select from:

☑ Mergers and acquisitions

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

68.27

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

(9.2.4.9) Please explain

*Arçelik evaluates water-stressed areas as “extremely high” and “high” stress areas according to WRI Aqueduct. In the analysis, we used the baseline annual data set and analyzed baseline water stress. According to WRI Aqueduct, 13 plants of Arçelik are located in an “extremely high” water-stressed area and 6 plants of Arçelik are located in a “high” water-stressed area. The total water withdrawal from water-stressed areas is 1247.83 megaliters in 2023. That is 68% of the total withdrawal ((1247.83/1827.81)*100) for the reporting scope. Water withdrawal from water-stressed areas increased by 2% compared to 2022. In 2023, the total water withdrawal from areas with water-stress value was 1247.83 so the total water withdrawal from water-stressed areas increased by 27% compared to 2022 (983.93 megaliters). Thus, comparison with the previous reporting year is selected as “much higher” according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%. Please note that the scope of the data listed above has been extended by including all*

manufacturing facilities, including Joint Ventures in the reporting year, thus explaining the fact that water withdrawals from areas with water stress are much higher compared to 2022 results..
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

54.09

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:
☑ Investment in water-smart technology/process

(9.2.7.5) Please explain

Arçelik harvest and use rainwater.In 2023, we included Arçelik-Hitachi Thailand and Arçelik-Hitachi China, Voltbek-India, Arçelik-LG Turkey and IHP Home Appliances-Russia plants operations by expanding our reporting scope. IHP Home Appliances-Russia plant uses high amount of rainwater water so rainwater volume of our operations in 2023 increased by 16% compared to 2022. Thus, comparison with the previous reporting year is selected as "Higher" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher:11% to 19% Much Higher: 20%. Also, rainwater usage is expected to increase in the future as we study rainwater harvesting projects. In addition, it is expected that rainwater withdrawal will be increased with new water-related investments.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:
☑ Not relevant

(9.2.7.5) Please explain

Arçelik does not use brackish surface water /seawater and does not plan to use brackish/surface water/seawater in the future. Therefore, “not relevant” is selected.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

794.78

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:
☑ Investment in water-smart technology/process

(9.2.7.5) Please explain

Arçelik uses groundwater-renewable. We used 794.78 megaliters groundwater-renewable in 2023. In 2023, it increased by 6.3% compared to 2022. Despite the expanding reporting scope, groundwater-renewable withdrawal about the same the same level thanks to water efficiency projects.Thus, comparison with the previous reporting year is selected as "About the same" according to our thresholds as given below. Threshold: Much lower: - 20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%. In the future, the use of groundwater-renewable volume per product is expected to be lower due to studies on reducing groundwater-renewable withdrawal. The 2023 data is verified according to AA1000AS.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Arçelik does not use groundwater-non-renewable and does not plan to use groundwater-non-renewable in the future. Therefore, "not relevant" is selected.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

55.88

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Mergers and acquisitions

(9.2.7.5) Please explain

In 2023, we included Arçelik-Hitachi Thailand and Arçelik-Hitachi China, Voltbek-India, Arçelik-LG Turkey, and IHP Home Appliances-Russia plants operations by expanding our reporting scope. IHP Home Appliances-Russia plant uses produced water. This is our first year of measurement, therefore there is no comparison with the previous year. 2023 data verified according to AA1000AS.

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

923.58

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Mergers and acquisitions

(9.2.7.5) Please explain

In 2023, we included Arçelik-Hitachi Thailand and Arçelik-Hitachi China, Voltbek-India, Arçelik-LG Turkey and IHP Home Appliances-Russia plants operations by expanding our reporting scope. Arçelik uses municipal supply water and water tankers. We used 923.58 megaliters in 2023. In 2023, due to scope expansion because of mergers and acquisitions, it increased by 32.6 % compared to 2022. Thus, a comparison with the previous reporting year is selected as “Much Higher" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%. 2023 data verified according to AA1000AS.

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:
☑ Not relevant

(9.2.8.5) Please explain

Arçelik does not discharge to freshwater.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:
☑ Not relevant

(9.2.8.5) Please explain

Arçelik does not discharge to brackish surface water/seawater.

Groundwater

(9.2.8.1) Relevance

Select from:
☑ Not relevant

(9.2.8.5) Please explain

Arçelik does not discharge to groundwater.

Third-party destinations

(9.2.8.1) Relevance

Select from:
☑ Relevant

(9.2.8.2) Volume (megaliters/year)

1579.89

(9.2.8.3) Comparison with previous reporting year

Select from:
☑ Much higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:
☑ Mergers and acquisitions

(9.2.8.5) Please explain

Arçelik discharges only third-party destinations.2023, we included Arçelik-Hitachi Thailand and Arçelik-Hitachi China, Voltbek-India, Arçelik-LG Turkey and IHP Home Appliencies-Russia plants operations by expanding our reporting scope. The total discharge of our operations in 2023 (1,579.89 megaliters) increased by 24% compared to 2022 (1,272.74 megaliters) because of scope expansion. Thus, comparison with the previous reporting year is selected as "much higher" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%. 2023 data verified according to AA1000AS.
[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

86.17

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

Tertiary treatment is applied to recover and reuse wastewater in Arçelik's production processes. In 2023, we shared the tertiary treatment volume (86.17 megaliters) for the expanded reporting scope. It was decreased by 32% compared to 2022 (126.9 megaliters) because of a decrease in water usage of the plants which applied tertiary treatment. Thus, comparison with previous reporting year is selected as "much lower" according to our thresholds as given below.Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20% Arçelik separately treats domestic and industrial wastewater according to its characteristics in its chemical and/or biological treatment plants ensuring that discharged wastewater remains below legal discharge limits in order to protect water resources and biodiversity in the regions; also, Arçelik periodically checks compliance with these standards. Then, Arçelik discharges wastewater to the sewage line of municipal and/or industrial organized zone connected to the municipal/industrial wastewater treatment plant.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

1106.5

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Much higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Mergers and acquisitions

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 41-50

(9.2.9.6) Please explain

In 2023, we included Arçelik-Hitachi Thailand and Arçelik-Hitachi China, Voltbek-India, Arçelik-LG Turkey and IHP Home Appliances-Russia plants operations by expanding our reporting scope. In 2023, we shared the secondary treatment volume (1106.5 megaliters) for the expanded reporting scope. Accordingly, it increased by 31% compared to 2022 (843.04 megaliters). Thus, comparison with previous reporting year is selected as "Much higher" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same:/-10% Higher: 11% to 19% Much Higher: 20% Arçelik separately treats domestic and industrial wastewater according to its characteristics in its chemical and/or biological treatment plants ensuring that discharged wastewater remains below legal discharge limits in order to protect water resources and biodiversity in the regions; also, Arçelik periodically checks compliance with these standards. Then, Arçelik discharges wastewater to the sewage line of municipal and/or industrial organized zone connected to the municipal/industrial wastewater treatment plant.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

22.9

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

In 2023, we shared the primary treatment only volume (22.9 megaliters) for the expanded reporting scope. Accordingly, it increased by 10% compared to 2022. Thus, comparison with previous reporting year is selected as "about the same" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

Discharge to the natural environment without treatment is not applied in Arçelik plants because most of our facilities have its own treatment plants and than discharge to 3rd party system. Moreover, a few facilities discharge to 3rd party sewer system which ends with wastewater treatment plants.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Relevant

(9.2.9.2) Volume (megaliters/year)

364.32

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:
☑ Much higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:
☑ Mergers and acquisitions

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:
☑ 31-40

(9.2.9.6) Please explain

Arçelik ensuring that discharged wastewater remains below legal discharge limits in order to protect water resources and biodiversity in the regions; also, Arçelik periodically checks compliance with these standards.Then, Arçelik discharges wastewater to the sewage line of municipal/industrial organized zone connected to the municipal/industrial wastewater treatment plant. Just, industrial and domestic wastewater of some manufacturing plants, in the municipality area/organized industrial zone is discharged without treatment to the sewage line which ends with a wastewater treatment plant of a third party. Wastewater of these plants is treated in the wastewater treatment plants of municipality and/or organized industrial zone. In 2023, we shared the volume for the expanded reporting scope (364.32 megaliters) and we compare it with 2022(281.69 megaliters) data. It increased by 29% compared to 2022. Primary reason of increase is because of mergers and acquisations.Thus, comparison with previous reporting year is selected as "Much Higher" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

N/A
[Fixed row]

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

0.41

(9.2.10.2) Categories of substances included

Select all that apply

☑ Priority substances listed under the EU Water Framework Directive

(9.2.10.3) List the specific substances included

Lead, Cadmium,Chromium,Nickel

(9.2.10.4) Please explain

Arçelik ensures that discharged wastewater remains below legal discharge limits in order to protect water resources and biodiversity in the regions, and Arçelik periodically checks compliance with these standards. Then, Arçelik discharges wastewater to the municipal sewage line connected to municipal/industrial wastewater treatment plant. Discharge parameters may change due to country regulations. Generally, other priority substances such as heavy metals (nickel, lead, cadmium etc.) are followed by our business sector. The discharged wastewater does not contain pesticides. Total lead emission water is 0.15 tone Total nickel emission water is 0.1 tonne Total cadmium emission water is 0.05 tonne Total chromium emission water is 0.11 tonne Total emissions to water in reporting year 0.41 ton These calculations are based on accredited external lab analysis and verified wastewater volumes. All emissions are verified according to the AA1000AS standard. [Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.3) % of facilities in direct operations that this represents

Select from:

☑ 1-25

(9.3.4) Please explain

Our ERM system evaluates and manages both financial and non-financial risks through scenario analysis and testing, aligning with IFRS-ISSB Standards encompassing TCFD. We monitor, measure, and manage ESG risks and their financial impacts using Trucost analysis, which is embedded in our financial risk reporting. We apply alternative scenarios like IEA STEPS, Sustainable Development Scenario, and Net Zero 2050, focusing on physical risks at the asset and supplier levels. Climate hazard indicators—such as water stress, floods, and rising sea levels—are considered, with forecasts for 2030 and 2050 based on RCP scenarios (RCP8.5, RCP4.5, RCP2.6). RCP 4.5, the optimistic scenario, is used for 2030, projecting limited impacts on revenue and production, with increased demand expected despite global warming issues. Water stress has been identified as the primary risk for Arçelik and its suppliers. Extensive water stress testing, leveraging WRI Aqueduct Water Risk Atlas, has been conducted, and results are reviewed annually. Our materiality analysis highlights water management as a top priority. We verify our water withdrawal since 2017 through an independent body, ensuring sufficient quality freshwater is available for our direct and indirect use. Identification of substantive financial or strategic impact: Arçelik determines, the substantive financial or strategic impact in its business by using a screening process as follows: 1) Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas a. 2) Plants located in a basin that Water stress (Water demand/ Water supply) is above %100 3) Plants that have a water withdrawal volume higher than 2.5% of Arçelik total water withdrawal volume. As a result, we determined that only 1 of Arçelik's facilities can be deemed as bearing a water stress risk with the potential to have a substantive financial or strategic impact on our business.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.4) Please explain

Our ERM system evaluates and manages both financial and non-financial risks through scenario analysis and testing, aligning with IFRS-ISSB Standards encompassing TCFD. We monitor, measure, and manage ESG risks and their financial impacts using Trucost analysis, which is embedded in our financial risk reporting. We apply alternative scenarios like IEA STEPS, Sustainable Development Scenario, and Net Zero 2050, focusing on physical risks at the asset and supplier levels. Climate hazard indicators—such as water stress, floods, and rising sea levels—are considered, with forecasts for 2030, and 2050 based on RCP scenarios (RCP8.5, RCP4.5, RCP2.6). RCP 4.5, the optimistic scenario, is used for 2030, projecting limited impacts on revenue and production, with increased demand expected despite global warming issues. Water stress has been identified as the primary risk for Arçelik and its suppliers. Extensive water stress testing, leveraging WRI Aqueduct Water Risk Atlas, has been conducted, and results are reviewed annually. Our materiality analysis highlights water management as a top priority. We verify our water withdrawal since 2017 through an independent body, ensuring sufficient quality freshwater is available for our direct and indirect use. Identification of substantive financial or strategic impact: Arçelik determines, the substantive financial or strategic impact in its upstream value chain by using a screening process as follows: 1) Suppliers, corresponding to 90% of purchasing volume of Tier-1 material and OEM suppliers. 2) Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas. 3) Plants located in a basin that baseline water depletion (Water demand/ Water supply) is

above %100. As a result, we determined that only 1 facility in Arçelik's upstream value chain can be deemed as bearing a water stress risk with the potential to have a substantive financial or strategic impact on our business.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:
☑ Facility 1

(9.3.1.2) Facility name (optional)

-

(9.3.1.3) Value chain stage

Select from:
☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply
☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:
☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Pakistan

☑ Other, please specify :Pakistan Arabian Sea (296)

(9.3.1.8) Latitude

24.855243

(9.3.1.9) Longitude

67.236988

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

36.08

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.18

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

35.9

(9.3.1.21) Total water discharges at this facility (megaliters)

30.66

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much lower

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

30.66

(9.3.1.27) Total water consumption at this facility (megaliters)

5.24

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

Identification of substantive financial or strategic impact: Arçelik determines, the substantive financial or strategic impact in its business by using a screening process as follows: 1) Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas a. 2) Plants located in a basin that Water stress (Water demand/ Water supply) is above %100 3) Plants that have a water withdrawal volume higher than 2.5% of Arçelik total water withdrawal volume. As a result, we determined that only 1 of Arçelik's facilities can be deemed as bearing a water stress risk with the potential to have a substantive financial or strategic impact on our business. The total withdrawal of our plant in 2023 (47 megaliters) decreased by 38% compared to 2022 (76 megaliters) and the total discharge of our plant in 2023 (40 megaliters) decreased by 38% compared to 2022 (64,6 megaliters) thanks to water efficiency and rainwater harvesting projects carried out in our production plants. We recovered and reused the effluent water and rainwater. Thus, a comparison with the previous reporting year is selected as "much lower" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%. The 2023 data is verified according to AA1000AS.

Row 2

(9.3.1.1) Facility reference number

Select from:

☑ Facility 2

(9.3.1.2) Facility name (optional)

-

(9.3.1.3) Value chain stage

Select from:

☑ Upstream value chain

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

China, Macao Special Administrative Region

☑ Other, please specify **:**Laizhou Wan / Longkou Gang Coast

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

82610

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much higher

(9.3.1.21) Total water discharges at this facility (megaliters)

46280

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Higher

(9.3.1.27) Total water consumption at this facility (megaliters)

36330

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much higher

(9.3.1.29) Please explain

Identification of substantive financial or strategic impact: Arçelik determines, the substantive financial or strategic impact in its business by using a screening process as follows: 1) Suppliers, corresponding to 90% of our purchasing volume. 2) Plants indicated as Extremely High in overall water risk results by using WRI Aqueduct Water Risk Atlas a. 3) Plants located in a basin that Water stress (Water demand/ Water supply) is above %100 As a result, we determined that only 1 of Arçelik's suppliers can be deemed as bearing a water stress risk with the potential to have a substantive financial or strategic impact on our business. The total withdrawal of this facility in 2023 (82610 megaliters) decreased by 66% compared to 2022 (49556 megaliters). Thus, a comparison with the previous reporting year is selected as "much higher" according to our thresholds as given below. Threshold: Much lower: -20% Lower: -19% to -11% About the same: /-10% Higher: 11% to 19% Much Higher: 20%.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The 2023 data disclosed in the 2023 Sustainability Report is verified according to AA1000AS.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

The 2023 data disclosed in the 2023 Sustainability Report is verified according to AA1000AS.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

The 2023 data disclosed in the 2023 Sustainability Report is verified according to AA1000AS.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

The 2023 data disclosed in the 2023 Sustainability Report is verified according to AA1000AS.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

Arçelik has water discharges – volume by destination information for all its plants and performs first-party verification for this data. This data is planned to be verified by a third-party next year.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

Arçelik has water discharges – volume by final treatment level information for all its plantsand performs first-party verification for this data. This data is planned to be verified by a third-party next year.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The 2023 data disclosed in the 2023 Sustainability Report is verified according to AA1000AS. We monitor water discharge quality by standard effluent parameters in full compliance with legal regulations using internal and accredited lab analysis.

Water consumption – total volume

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

The 2023 data disclosed in the 2023 Sustainability Report is verified according to AA1000AS.
[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

257103739000

(9.5.2) Total water withdrawal efficiency

140662179.88

(9.5.3) Anticipated forward trend

Our revenue (Turkish Lira-TRY) increase and water withdrawal volume reduction is anticipated due to investments in water-efficiency projects planned, and because of that, we anticipate an increase in the future trend of this figure.
[Fixed row]

(9.12) Provide any available water intensity values for your organization’s products or services.

Row 1

(9.12.1) Product name

Home appliances

(9.12.2) Water intensity value

10.6

(9.12.3) Numerator: Water aspect

Select from:

☑ Water withdrawn

(9.12.4) Denominator

Revenue

(9.12.5) Comment

Water intensity is calculated as total water withdrawal (m3)/total revenue(TRY) for 2023. All manufacturing facilities are included in the scope of the water intensity calculation. Arçelik’s water withdrawal volumes reported in Arçelik Global Sustainability Report 2023 is verified according to AA1000AS.
[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
	Select from: ☑ Yes

[Fixed row]

(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Row 1

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☑ Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

☑ 21-40

(9.13.1.3) Please explain

Arçelik places a strong emphasis ensuring that its products do not harm human health. To support this commitment, Arçelik's Chemical Compliance Specifications specify chemicals the company classifies as "banned/restricted". Arçelik's products comply with regulations related to hazardous substances, such as the "Restriction of hazardous Substances in Electrical and Electronic Equipment Directive" (RoHS), the European Union's "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH). In line with these regulations, we manage the use of chemical substances which are harmful to the environment and health in the parts, materials and substances of the electrical and electronic equipment that we produce. The company is using some substances under REACH regulation 1907/2006/EU as substances of very high concern due to technical requirements, approved for exemptions by EU RoHS Directive 2011/65/EU, Annexes III & IV. Some of the lead substances are in use at production. While these substances are permitted under certain conditions, their usage is required due to technical reasons as they do not have any alternative. Please refer to Arçelik's SVHC notifications through the website of the SCIP database for details on the substances'

usage. As approximately 39% of our consolidated revenue is generated from products sold in Europe (2023), we take this percentage as the one about which we are disclosing data concerning substances used under the REACH 1907/2006/EU.

Row 2

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☑ Other, please specify **:**RoHS Directive 2011/65/EU

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

☑ Less than 10%

(9.13.1.3) Please explain

Arçelik places a strong emphasis ensuring its products do not harm human health. To support this commitment, Arçelik's Chemical Compliance Specifications specify chemicals the company classifies as "banned/restricted". Arçelik's products comply with regulations related to hazardous substances, such as the RoHS and the REACH. In line with these regulations, we manage the use of chemical substances which are harmful to the environment and health in the parts, materials, substances of the electrical and electronic equipment we produce. Substances listed below are permitted under certain conditions, their usage is required due to technical reasons as they do not have alternatives. 6(c) & 7(c) exemptions are used under RoHS Directive 2011/65/EU due to technical requirements. 6(c) is related to using lead substances for enhancing the machinability of copper alloys like brass. 7(c) is related to lead substances' use for ceramic and glass materials. Small components on printed circuit board like resistor/varistor contain lead due to technical requirements. As we are compliant with the RoHS Directive 2011/65/EU, even though some homogeneous materials may have RoHS substances approved for exemptions by EU RoHS Directive 2011/65/EU, Annexes III and IV, 0% of our revenue is associated with products containing substances in this list as these substances are used under exemptions.
[Add row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☑ Yes

(9.14.2) Definition used to classify low water impact

In most of the countries we operate, water consumption is regulated by an ecodesign limit. All our products comply with this limit, consuming less water than the prescribed amount. However, Arçelik goes beyond regulatory requirements and improves water efficiency in its products in order to minimize its water footprint. Arçelik classifies a product as low-water impact if the product includes a technology that reduces and efficiently manages water consumption during the use phase, compared to other models, or following rules on ecodesign regulations for water consumption, or top performing products in countries with specific water labelling such as Singapur, Australia, etc

(9.14.4) Please explain

Arçelik classifies a product as low-water impact according to the definition it has defined. One standout technology is the AquaTech which consumes 30% less energy than standard models. Moreover, the SaveWater technology in the tumble dryer- washing machine features a unique system where the tumble dryer collects clean water and channels it back into the washing machine for use in the next cycle. The saved water is used in the next wash for the first fill of the washing cycle, provides providing up to 5.2 liters of water savings in each laundry cycle. Similarly, the SaveWater technology in dishwashers reduces water consumption by 27% by storing rinse water and reusing it in the next cycle, saving 2.6 liters per use without compromising cleaning performance. You may see more on Arçelik's 2023 Sustainability Report.
[Fixed row]

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	*Select from:* ☑ No, but we plan to within the next two years	*We will set our target related to water pollution within the next two years.*
Water withdrawals	*Select from:* ☑ Yes	*Rich text input [must be under 1000 characters]*

	Target set in this category	Please explain
Water, Sanitation, and Hygiene (WASH) services	*Select from:* ☑ Yes	*Rich text input [must be under 1000 characters]*
Other	*Select from:* ☑ Yes	*Rich text input [must be under 1000 characters]*

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☑ Target 1

(9.15.2.2) Target coverage

Select from:

☑ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Reduction in withdrawals per product

(9.15.2.4) Date target was set

12/30/2019

(9.15.2.5) End date of base year

12/30/2015

(9.15.2.6) Base year figure

106

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

58.3

(9.15.2.9) Reporting year figure

79.5

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

56

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

The target aims to reduce water withdrawal per product by 45% by 2030 from a 2015 baseline. In 2023, the reporting scope of the target covered all manufacturing plants by adding IHP Russia plants and JVs. Due to this, the progression of the target and the base year figure was affected and changed compared to the previous year. Thus, there are no exclusions.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

In line with our target, in 2023, we saved a total of 288,973 m3 of water, thanks to water efficiency and rainwater harvesting projects carried out at various locations. Accordingly, we continuously work towards extending our efforts. In 2023, the water withdrawal ratio in all manufacturing facilities reduced (compared to an 2015 baseline) was 25%, thus achieving 56% of the target.

(9.15.2.16) Further details of target

The 2030 target is to "Reduce water withdrawal per product by 45% in all manufacturing facilities (from an 2015 baseline)".

Row 2

(9.15.2.1) Target reference number

Select from:

☑ Target 2

(9.15.2.2) Target coverage

Select from:

☑ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Increase in water use met through recycling/reuse

(9.15.2.4) Date target was set

12/30/2020

(9.15.2.5) End date of base year

12/30/2020

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

70

(9.15.2.9) Reporting year figure

7

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

10

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

The target aims to increase the water recycling and reuse ratio to 70% by 2030. In 2023, the reporting scope of the target covered all manufacturing plants by adding IHP Russia plants and JVs. Due to this, the progression of the target was affected. Thus, there are no exclusions.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

We continuously work towards extending our water recycling and reuse efforts. In 2023, the water recycling and reuse ratio in all manufacturing facilities realized was 7%, thus achieving 10% of the target.

(9.15.2.16) Further details of target

The 2030 target is to "Increase the water recycling and reuse ratio to 70% in all manufacturing facilities".

Row 4

(9.15.2.1) Target reference number

Select from:

☑ Target 3

(9.15.2.2) Target coverage

Select from:

☑ Suppliers

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Other water withdrawals, please specify **:**Quantitative environmental data collection- % increase in number of suppliers engaged

(9.15.2.4) Date target was set

12/30/2020

(9.15.2.5) End date of base year

12/30/2020

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/30/2025

(9.15.2.8) Target year figure

100

(9.15.2.9) Reporting year figure

63

(9.15.2.10) Target status in reporting year

Select from:
☑ Underway

(9.15.2.11) % of target achieved relative to base year

63

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply
☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

In the scope of supplier engagement, by 2025, we have committed to Collect, monitor, and publicly disclose compiled data of suppliers', corresponding to 90% of purchasing volume of Tier-1 material and OEM suppliers, Scope 1–2 GHG emissions, energy, water, and waste and encourage them to set their own targets. We intend to make the consolidated data public to transparently report the impact of our supply chain. The quantitative metric is determined as % increase in number of suppliers that have set their own targets. There are no exclusions in this target.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

We continuously work towards achieving our efforts in engaging our suppliers to set their own targets concerning Scope 1–2 GHG emissions, energy, water, and waste. In 2023, we collected environmental data from 253 suppliers, reaching 63% of our target. Additionally, 166 suppliers have committed to set GHG emission/water/waste/ energy efficiency targets in 2023.

(9.15.2.16) Further details of target

The 2025 target is to "Collect, monitor, and publicly disclose compiled data of suppliers', representing 90% of purchasing volume of Tier-1 material and OEM suppliers, Scope 1–2 GHG emissions, energy, water, and waste and encourage them to set their own targets".

Row 5

(9.15.2.1) Target reference number

Select from:

☑ Target 4

(9.15.2.2) Target coverage

Select from:

☑ Country/area/region

(9.15.2.3) Category of target & Quantitative metric

Water, Sanitation, and Hygiene (WASH) services

☑ Increase in the proportion of local population using safely managed sanitation services, including a hand-washing facility with soap and water around our facilities and operations

(9.15.2.4) Date target was set

12/30/2022

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

09/29/2024

(9.15.2.8) Target year figure

10000

(9.15.2.9) Reporting year figure

7300

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

73

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

Aiming to protect water, being one of the main sources of life for a healthy planet, Beko collaborated with the US-based non-profit organization Water.org to undertake a project to help empower 10,000 Kenyans in need with the water or sanitation solutions they need to survive and thrive.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

As part of the collaboration lasting until September 2024, Beko supports Water.org and its local partner, the Association of Microfinance Institutions of Kenya (AMFI Kenya), with resources that support the dissemination of small loans for safe water in communities lacking reliable water sources. Thanks to Beko's support, as of the end of 2023, Water.org has successfully delivered safe water or sanitation solutions to more than 7,300 people in the region.

(9.15.2.16) Further details of target

Through the project that started in the last quarter of 2022, we implemented a social responsibility program with our global brand Beko, to change the lives of Kenyans with lasting access to safe water or sanitation solutions. As part of the collaboration lasting until September 2024, Beko supports Water.org and its local partner, the Association of Microfinance Institutions of Kenya (AMFI Kenya), with resources that support the dissemination of small loans for safe water in communities lacking reliable water sources.
[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

☑ Yes

(10.1.2) Target type and metric

Plastic packaging

☑ Increase the proportion of post-consumer recycled content in plastic packaging

☑ Reduce or eliminate the use of hazardous substances

Plastic goods/products

☑ Increase the proportion of post-consumer recycled content in plastic goods/products

End-of-life management

☑ Reduce the proportion of plastic waste which is sent to landfill and/or incinerated

Extended Producer Responsibility (EPR)

☑ Ensure compliance with EPR policies and schemes

(10.1.3) Please explain

Arçelik produces some of the most innovative products in the market which aim to find solutions to the plastic pollution, especially saving oceans from plastics. Arçelik R&D develops high-performance and eco-friendly recycled plastic formulations to replace their virgin counterparts without sacrificing the durability of the products. Arçelik's holistic approach takes almost all the plastics materials and packagings in the company's products into consideration to maximize the plastic recycled content. We also manage our processes in conformity with legal requirements including EPR. For our 2030 targets, internal targets on a yearly basis, dissemination plans have been created. In 2019, we set our target to increase recycled plastic content to 40% and biobased plastics content to 5% by 2030. In addition to these,

increase the waste recycling rate to 99% in all manufacturing facilities and to be Arçelik Green Chemistry Management System implementation at 100% in products and all manufacturing facilities by 2030. We also focus on three main areas in our packaging efforts: reduce our products' packaging volume and weight to produce minimum waste, carry out reuse and recycling projects to reduce the environmental impacts caused by our packaging processes, increase the recycled content of packaging and choose easily recyclable and sustainable materials.
[Fixed row]

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

-

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

-

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

Arçelik is a multinational household appliances manufacturer.The company produces and markets durable goods, components, consumer electronics, and after-sale services with a presence in many countries and several brands under its umbrella.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

-

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

-

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:
☑ Yes

(10.2.2) Comment

Arçelik is a multinational household appliances manufacturer.The company produces and markets durable goods, components, consumer electronics, and after-sale services with a presence in many countries and several brands under its umbrella.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

-

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

-

Other activities not specified

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

-
[Fixed row]

(10.4) Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Durable goods and durable components used

(10.4.1) Total weight during the reporting year (Metric tons)

167068

(10.4.2) Raw material content percentages available to report

Select all that apply

☑ % virgin fossil-based content

☑ % post-consumer recycled content

(10.4.3) % virgin fossil-based content

90

(10.4.6) % post-consumer recycled content

10

(10.4.7) Please explain

A total of 16,543 tons of recycled plastics were used in 2023. Additionally, the biocomposite plastics usage in our factories was 30 tonnes in 2023. Examples are our efforts to use recycled waste PET bottles in different parts of washing machines, washerdryer, tumble dryers, dishwashers, and air conditioners; recyled waste fishing nets and industrial thread in different parts of ovens, washing machines and dishwashers; recycled polyethylene-based packaging waste in different parts of dishwashers and refrigerators. The reported values are for 2023 financial year. In 2023, recycled plastic content in products is 10%. This data is verified by third party.
[Fixed row]

(10.5) Provide the total weight of plastic packaging sold and/or used and indicate the raw material content.

Plastic packaging used

(10.5.1) Total weight during the reporting year (Metric tons)

25103

(10.5.2) Raw material content percentages available to report

Select all that apply

☑ % virgin fossil-based content

☑ % post-consumer recycled content

(10.5.3) % virgin fossil-based content

91.3

(10.5.6) % post-consumer recycled content

8.7

(10.5.7) Please explain

A total of 2,713 tons of recycled plastic packaging materials were used in 2023. Examples are our efforts to use recycled waste PET bottles in the major domestic appliance product packaging strips, recycled plastic in accessory and product bags, recycled shrink in product packaging. The reported values are for 2023 financial year. This data is not verified by third party.
[Fixed row]

(10.5.1) Indicate the circularity potential of the plastic packaging you sold and/or used.

Plastic packaging used

(10.5.1.1) Percentages available to report for circularity potential

Select all that apply

☑ % technically recyclable

(10.5.1.3) % of plastic packaging that is technically recyclable

100

(10.5.1.5) Please explain

Plastic can be recyclable, but not all types of plastic are equally recyclable or widely accepted in recycling programs. Also, recycling practices can vary from region to region. However, the plastics of our products and packaging can be 100% technically recyclable. Our technical recyclability rate is based on the Ellen MacArthur Foundation's global definitions.
[Fixed row]

(10.6) Provide the total weight of waste generated by the plastic you produce, commercialize, use and/or process and indicate the end-of-life management pathways.

Usage of plastic

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

12597

(10.6.2) End-of-life management pathways available to report

Select all that apply

☑ Recycling

☑ Waste to Energy

☑ Incineration

☑ Landfill

(10.6.4) % recycling

97

(10.6.6) % waste to energy

0.01

(10.6.7) % incineration

0.03

(10.6.8) % landfill

1.96

(10.6.12) Please explain

Our near-zero waste concept aims to reduce, reuse, and recycle the waste, and minimize all waste where landfill and non energy recovery incineration are applied. In line with this, we have set a target to increase the waste recycling rate to 99%, which was 95% in 2023, in all manufacturing facilities. The diversion rates of waste to landfill in 2023 was 95% which has a third-party assurance.
[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water management

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ State and benefit indicators ☑ Pressure indicators ☑ Response indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes (partial assessment)

(11.4.2) Comment

-

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes (partial assessment)

(11.4.2) Comment

-

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

-

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:
☑ Yes (partial assessment)

(11.4.2) Comment

-

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:
☑ Yes (partial assessment)

(11.4.2) Comment

-

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:
☑ Yes

(11.4.2) Comment

We prioritized our manufacturing facility in Ulmi, Romania, since Arçelik has a manufacturing facility on 431,369 m2 area that is adjacent to biodiversity-sensitive area, Natura 2000, which is known as Birds Directive Special Protection Area (SPA). This is the only manufacturing facility where we have a border with biodiversity sensitive area.
[Fixed row]

(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply
☑ Legally protected areas
☑ Key Biodiversity Areas
☑ Other areas important for biodiversity

(11.4.1.3) Protected area category (IUCN classification)

Select from:
☑ Unknown

(11.4.1.4) Country/area

Select from:
☑ Romania

(11.4.1.5) Name of the area important for biodiversity

Arctic Factory in Ulmi, adjacent to Natura 2000 which is known as Birds Directive Special Protection Area (SPA)

(11.4.1.6) Proximity

Select from:

☑ Adjacent

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

We have the ambition to improve the biodiversity on the site of Ulmi factory by implementing actions to reduce pressures and support the natural development of habitats by 2027. In 2023, the actions determined as a result of the study were implemented on the factory area owned by Arçelik.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Abatement controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

We prioritized our manufacturing facility in Ulmi, Romania, since Arçelik has a manufacturing facility on 431,369 m2 area that is adjacent to biodiversity-sensitive area, Natura 2000, which is known as Birds Directive Special Protection Area (SPA). This is the only manufacturing facility where we have a border with biodiversity sensitive area. In the region of our manufacturing facility in Ulmi, we have been already required to measure PM10, NO2, and SO2 quarterly under the National Air Quality Act 104/2011. In 2021, Arçelik has committed to go beyond by setting its roadmap with EPC Consultanţă de Mediu, an environmental consulting company specializing in biodiversity conservation. The impact on nature has been found limited. However, three objectives and key strategies have been defined to create improvement for the habitat conditions of the land under Arçelik’s responsibility. Objective 1: Reduction of existing pressures. Objective 2: Improvement of habitat conditions for bird species. Objective 3: Improvement of habitat conditions for other fauna species. We have the ambition to improve the biodiversity on the site of Ulmi factory by implementing actions to reduce pressures and support the natural development of habitats by 2027. In 2023, the actions determined as a result of the study were implemented on the factory area owned by Arçelik.

[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Waste data

☑ Fuel consumption

☑ Renewable fuel consumption

☑ Renewable Electricity/Steam/Heat/Cooling consumption

☑ Electricity/Steam/Heat/Cooling consumption

☑ Renewable Electricity/Steam/Heat/Cooling generation

(13.1.1.3) Verification/assurance standard

General standards

☑ AA1000AS

(13.1.1.4) Further details of the third-party verification/assurance process

TÜV SÜD Turkiye was commissioned by Arçelik to conduct independent assurance of its 2023 Sustainability Report, as published on the company's website and to carry out an independent verification of total water withdrawal by source and waste, energy consumption data, social and occupational health and safety indicators in 2023. Our assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard AA1000AS v3. The moderate level assurance provided is in accordance with AA1000AS v3.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

2023-aa1000as-assurance-report.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☑ Water discharges– total volumes

☑ Water withdrawals– total volumes

☑ Water withdrawals – volumes by source

(13.1.1.3) Verification/assurance standard

General standards

☑ AA1000AS

(13.1.1.4) Further details of the third-party verification/assurance process

TÜV SÜD Turkiye was commissioned by Arçelik to conduct independent assurance of its 2023 Sustainability Report, as published on the company's website and to carry out an independent verification of total water withdrawal by source and waste, energy consumption data, social and occupational health and safety indicators in 2023. Our assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard AA1000AS v3. The moderate level assurance provided is in accordance with AA1000AS v3.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

2023-aa1000as-assurance-report.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Emissions breakdown by country/area

☑ Energy attribute certificates (EACs)

(13.1.1.3) Verification/assurance standard

Climate change-related standards

☑ ISO 14064-1

☑ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

For ISO 14064-3 Verification Statement for reporting period 01/01/2023 and 31/12/2023: Verification Activities: The following were the verification activities undertaken: • Evaluation of the monitoring and controls systems through interviewing employees observation & inquiry • Verification of the data through sampling recalculation, retracing, cross checking, reconciliation The quantification and reporting of the carbon footprint have been independently verified by TÜV SÜD against the specifications defined in ISO 14064-1:2018. The verification activity has been carried out in accordance with ISO 14064-3:2019. Assurance level: "Reasonable"

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Arçelik ISO 14064 Verification Statement and Opinion.pdf
[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Financial Officer (CFO)

(13.3.2) Corresponding job category

Select from:
☑ Chief Financial Officer (CFO)
[Fixed row]