Arçelik

Türkiye Sustainability Reporting Standards Compliant Sustainability Report

2024

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A Message from our CEO

HAKAN BULGURLU
CEO

Dear Stakeholders,

We are navigating a pivotal decade—one shaped by climate change, economic volatility, and social disparities. In this context, businesses must lead with clarity and responsibility. At Arçelik, we believe that sustainable growth is not an option, but a necessity.

In 2024, global temperatures exceeded the 1.5°C threshold for the first full year, reinforcing the urgency of climate action. We recognize our role in mitigating climate-related risks and accelerating the transition to a low-carbon economy. That's why we've embedded sustainability into our core strategy—focusing on emissions reduction, energy-efficient design, circularity, and resilience.

We welcome the introduction of the Türkiye Sustainability Reporting Standards (TSRS) by the Public Oversight Authority (KGK) and are proud to present Arçelik's first TSRS-aligned report. This report enhances our transparency on climate-related risks and opportunities, and supports informed stakeholder engagement.

Our climate targets, validated by the Science Based Targets initiative (SBTi), include:

- A 42% reduction in absolute Scope 1 and 2 emissions by 2030, from a 2022 baseline.
- A 42% reduction in absolute Scope 3 emissions —mainly from product use—by 2030.
- A long-term goal of 90% emissions reduction across all scopes by 2050, with the remaining emissions removed through credible carbon removal solutions.

Given that Scope 3 emissions represent 99% of our total footprint—82% from the use phase—we prioritize energy efficiency and product durability.

Sustainability also means building inclusive, resilient value chains and safeguarding resources for future generations. As we mark Arçelik's 70th anniversary, we reaffirm our commitment to transparency, innovation, and delivering positive impact—aligned with both national regulations and global climate goals.

Thank you for your continued trust and support.

HAKAN BULGURLU
Chief Executive Officer, Arçelik

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Introduction

Connectivity with Financial Statements (Reporting Period, Reporting Entity, and Presentation Currency)

This report represents Arçelik A.Ş.'s first Sustainability Report in alignment with the Türkiye Sustainability Reporting Standards (TSRS). This report has been prepared in accordance with the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority (KGK) dated May 8, 2025, as published in the Official Gazette No. 32894, as a separate report titled "TSRS Compliant Sustainability Report". The information and data presented in this report cover our operational period from January 1, 2024, to December 31, 2024. The report has been prepared in parallel with the financial report for the same period and is recommended to be read in conjunction with it. Published in accordance with TSRS, this report is made publicly available following the disclosure of the financial statements. All financial information and figures provided in this report are presented in Turkish Lira (TRY).

The scope of the report is on a consolidated basis and includes Arçelik A.Ş. and its subsidiaries. Additionally, the merger of Arçelik's and Whirlpool's European subsidiaries under the joint venture company Beko Europe B.V. was completed as of April 1, 2024. In this context, the shares of the subsidiaries operating under the control of Arçelik and Whirlpool in Europe have been transferred to Beko Europe B.V., a company established in the Netherlands. Arçelik holds 75% of the share capital of Beko Europe B.V., while Whirlpool holds the remaining 25%. Furthermore, all shares of Whirlpool's subsidiaries—Whirlpool MEEA DMCC (renamed Beko Gulf DMCC) and Whirlpool Maroc S.a.r.l. (renamed Beko Maghreb S.a.r.l.)—operating in the Middle East and North Africa (MENA) region, along with Whirlpool's MENA operations, were acquired by Beko B.V. on April 1, 2024, following the completion of closing transactions stipulated in the MENA Share Purchase Agreement. The assets of Beko Europe B.V. have been included within the scope of consolidation, and data following the completion of the merger have been incorporated into this report.

↗ For further information, please refer to Arçelik's 2024 Annual Report.

Purpose and Scope of the First TSRS Compliant Sustainability Report

The purpose of this first TSRS Compliant Sustainability Report is to transparently share Arçelik's climate-related risks and opportunities, their financial impacts, reflections on the company's strategy, governance and risk management structure, and targets with its stakeholders. This report exclusively focuses on climate-related risks and opportunities in accordance with the Public Oversight, Accounting and Auditing Standards Authority (KGK)'s regulations. As it is being published for the first time this year, no comparative data is presented.

Identification Process for Climate-Related Risks and Opportunities and Scope of Consolidation

Climate-related risks and opportunities have been identified based on Arçelik's financial impact analyses and financial prioritization approach. In this process, factors such as the magnitude, likelihood, and impact of both direct and indirect effects were taken into account. Furthermore, the potential implications of these risks and opportunities on Arçelik's strategic goals, investment plans, and operational processes were thoroughly assessed.

The impact evaluation was carried out with the joint contribution of the finance, sustainability, risk management, and operations departments and was supported by insights from both internal and external stakeholders. Entities subject to full financial consolidation within Arçelik's reporting boundary were included in the assessment of climate-related risks and opportunities.

Integration of Stakeholder Expectations into the Assessment

Throughout the climate-related risks and opportunities assessment process, stakeholder expectations were considered a point of reference. The intersections between the climate-related risks and opportunities prioritized by Arçelik and the issues stakeholders deem important were analyzed, and this alignment was reflected in the enterprise risk management prioritization matrix.

Changes in Preparation or Presentation of Sustainability Information

As the TSRS Complant Sustainability Report is being published for the first time this year, no comparative information under TSRS requirements is presented. Accordingly, no restatements or methodological adjustments have been made to previous data within the scope of TSRS. Future reports will include comparative disclosures, where applicable, in line with TSRS requirements.

Sources of Estimation

In our sustainability reporting, we draw on various sources to conduct assessments and make projections. These assumptions, estimates, and evaluations are regularly reviewed and updated in light of developments in sustainability reporting standards and other relevant factors. The use of assumptions and projections—including scenario and sensitivity analyses—is a fundamental component in the preparation of sustainability-related disclosures and is referenced in the relevant sections of the report.

While we aim to ensure the accuracy and consistency of reported information, certain disclosures inherently involve estimation uncertainty due to limitations in data availability, evolving methodologies, and the forward-looking nature of sustainability topics. To manage this, we define acceptable tolerance thresholds (e.g., a maximum deviation of ±5%) for key metrics where

Introduction

precise measurement is not possible. These thresholds reflect the complexity of sustainability data, particularly for value chain-related impacts and projections based on external variables. Efforts are ongoing to enhance data quality, reduce uncertainty, and align our practices with emerging best-in-class reporting standards.

Estimation uncertainty may also stem from proxy data, sector averages, and assumptions applied in areas such as Scope 3 emissions, climate-related financial impacts, and long-term scenario forecasts. Reported values may be sensitive to changes in input parameters—such as emission factors, activity data, or discount rates—which could result in materially different outcomes. The defined tolerance ranges reflect this sensitivity and represent the expected variance under current methodologies. As our data systems mature and sector practices evolve, we anticipate narrowing these ranges over time. Where estimation uncertainty remains, any future revisions to underlying assumptions or methods will be transparently disclosed in subsequent reporting cycles, along with explanations of their impact on previously reported figures.

Use of Sector-Specific Metrics

The sector-specific metrics used in this report have been determined in accordance with the Sustainability Accounting Standards Board (SASB) and Public Oversight, Accounting and Auditing Standards (KGK)'s standards. Detailed information can be found in the "Sector-Specific Metrics" section of this Report. From KGK's Guidance on Sector-Based Implementation of TSRS 2, Volume 2 – Appliance Manufacturing has been selected as the reference guide. Volumes 44 – Solar Technology and Project Developers and 49 – Electrical and Electronic Equipment have not been considered, as they are not material to the Company.

1. Arçelik at a Glance

1. Arçelik at a Glance

1.1 Corporate Information

Arçelik serves as the central entity of a global network comprising 124 subsidiaries across 58 countries, with 45 production facilities in thirteen nations and a workforce exceeding 53,000 employees worldwide. The company's portfolio includes renowned brands such as Arçelik, Beko, Whirlpool*, Grundig, Hotpoint, Arctic, Ariston*, Leisure, Indesit, Blomberg, Defy, Dawlance, Hitachi*, VoltasBeko, Singer*, ElektraBregenz, Flavel, Bauknecht, Privileg, Altus, Ignis, Polar. In 2024, Arçelik reported consolidated revenues of TL 428.5 billion (EUR 10.6 billion), with 68% generated from markets outside Türkiye. Its commitment to innovation is evidenced by over 2,300 research personnel employed across 30 R&D and design centers globally, resulting in more than 3,500 patent applications and patents across all operational segments.

**Licenses are limited to certain jurisdictions.*

Ownership Structure

SHAREHOLDER	SHARE IN CAPITAL (%)	NOMINAL SHARE VALUE (TRY)	NUMBER OF SHARE AND VOTING RIGHT (number)
Koç Holding A.Ş.	41.43%	279,928,625.03	27,992,862,503
Koç Family	8.67%	58,590,764.33	5,859,076,433
Koç Holding Pension and Aid Fund Foundation	4.27%	28,862,920.21	2,886,292,021
Temel Ticaret ve Yatırım A.Ş.	2.75%	18,576,870.00	1,857,687,000
Vehbi Koç Foundation	0.12%	808,976.88	80,897,688
Teknosan Büro Makina ve Levazımı Tic.ve San. A.Ş.	12.05%	81,428,336.95	8,142,833,695
Burla Ticaret ve Yatırım A.Ş.	5.56%	37,571,663.05	3,757,166,305
Arçelik A.Ş.[1]	10.19%	68,876,288.02	6,887,628,802
Other Shareholders	14.96%	101,083,760.54	10,108,376,054
Total	100.00%	675,728,205.00	67,572,820,500

[1] *Refers to the shares repurchased from publicly held shares until 31 December 2024 within the scope of the buyback program initiated by Arçelik A.Ş. The ownership structure data reflects the shareholding status as of 31 December 2024.*

1. Arçelik at a Glance

1.2 Global Operations

Arçelik maintains its operations in 58 countries with its subsidiaries, production facilities, R&D centers, and offices supporting a workforce of more than 53,000 employees worldwide, where 34% of the employees are located in the company's country of headquarters and 66% in locations abroad. With our robust infrastructure that includes 45 production facilities, we have steadily expanded our operations since 1955 and extended our reach to six continents.

1. Arçelik at a Glance

1.3 Reporting Boundary and Scope of the Report

The report covers entities included within the scope of 100% financial consolidation.

Production Facilities

- Dhaka Bangladesh Refrigerator Plant
- Dhaka Bangladesh TV, Air Conditioning and Washing Machine Plant
- Shanghai China Hitachi Washing Machine Plant*
- 10th of Ramadan Egypt Beko Egypt Cooking Appliance, Refrigerators and Dishwasher Plant
- Gujarat India Voltbek Refrigerator Plant*
- Cassinetta Italy Beko Europe Cassinetta Refrigerators Plant
- Cassinetta Italy Beko Europe Cassinetta Cooking Appliances Plant
- Cassinetta Italy Beko Europe Cassinetta Built-in Microwave Ovens Plant
- Melano Italy Beko Europe Melano Cooking Appliances Plant
- Comunanza Italy Beko Europe Comunanza Laundry Appliances Plant
- Siena Italy Beko Europe Siena Refrigerators Plant
- Hayderabad Pakistan Refrigerator Plant
- Karachi Pakistan Refrigerator and TV Plant
- Karachi Pakistan Washing Machine, A/C and Cooking Appliances Plant
- Wroclaw Poland Beko Europe Wroclaw Refrigerator Plant
- Wroclaw Poland Beko Europe Wroclaw Cooking Appliances Plant
- Radomsko Poland Beko Europe Radomsko Dishwasher Plant
- Radomsko Poland Beko Europe Radomsko Laundry Appliances
- Lodz Poland Beko Europe Lodz Dryer Plant
- Lodz Poland Beko Europe Lodz Cooking Appliances Plant
- Gaesti Romania Arctic Refrigerating Appliances Plant
- Ulmi Romania Arctic Washing Machine Plant
- Lipetsk Russia IHP Appliances JSC Refrigerator Plant
- Lipetsk Russia IHP Appliances JSC Washing Machine Plant
- Kirzhach Russia Beko LLC Refrigerator and Washing Machine Plant
- Poprad Slovakia Beko Europe Poprad Laundry Appliances Plant
- Jacobs South Africa Defy Cooking Appliances, Tumble Dryer and Washing Machine Plant
- Ezakheni South Africa Refrigerating Appliances Plant
- Kabin Buri Thailand Hitachi Refrigerator Plant*
- Kabin Buri Thailand Hitachi Washing Machine Plant*
- Rayong Thailand Refrigerator Plant
- Manisa Türkiye Refrigerator Plant
- Manisa Türkiye Washing Machine Plant
- Gebze Türkiye Arcelik LG*
- Eskisehir Türkiye Refrigerator Plant - Factory
- Eskisehir Türkiye Compressor Plant
- Bolu Türkiye Cooking Appliances Plant
- Bolu Türkiye Cooking Appliances Plant - Factory
- Ankara Türkiye Dishwasher Plant
- Istanbul Türkiye Washing Machine Plant
- Tekirdag Türkiye Electronics Plant
- Tekirdag Türkiye Tumble Dryer Plant
- Tekirdag Türkiye White Goods, Motor and Small Home Appliances Plant
- Istanbul Türkiye Solar Panel Plant

* Plant of joint venture

1. Arçelik at a Glance

1.3 Reporting Boundary and Scope of the Report

R&D and Design Centers and Offices

- Wuxi China Arch R&D Office1
- Gujarat India VoltasBeko R&D Office*
- Cassinetta Italy Beko Europe Cassinetta R&D Office
- Fabriano Italy Beko Europe Fabriano R&D Office
- Islamabad Pakistan Dawlance NUST R&D Office
- Karaci Pakistan Dawlance R&D Office
- Wroclaw Poland Beko Europe Wroclaw R&D Office
- Gaeşti Romania Arctic R&D Office
- Ulmi Romania Arctic R&D Office
- Kirzhach Russia Beko LLC R&D Office
- Lipetsk Russia IHP Appliances R&D Office
- Jacobs South Africa Defy R&D Office
- Kabin Buri Thailand Arcelik Hitachi R&D Office*
- Rayong Thailand Beko Thai R&D Office*
- Ankara Türkiye Dishwasher Plant R&D Center
- Ankara Türkiye METU Technocity R&D Center1
- Bolu Türkiye Cooking Appliances Plant R&D Center
- Eskişehir Türkiye Refrigerator and Compressor Plant R&D Center
- İstanbul Türkiye R&D Directorate
- İstanbul Türkiye Arcelik Design Center
- İstanbul Türkiye Beylikduzu R&D Center
- İstanbul Türkiye Washing Machine Plant R&D Center
- İstanbul Türkiye Digital Transformation, Big Data and AI Center1
- İstanbul Türkiye Small Domestic Appliances R&D Center
- İstanbul Türkiye Manufacturing Technologies R&D Center
- Tekirdağ Türkiye Electronics Plant R&D Center
- Tekirdağ Türkiye Dryer Plant R&D Center
- Kocaeli Türkiye Arcelik – LG R&D Office*
- Manisa Türkiye Manisa Plant, R&D Center*
- 10th of Ramadan Egypt Beko Egypt R&D Office

*Center of joint venture
1 GHG indicators are excluded

Subsidiaries and Branches

- Algeria - Beko Algeria EURL
- Australia - Beko A and NZ Pty Ltd.
- Austria - Beko Austria AG
- Austria - Beko Europe Austria GmbH
- Azerbaijan - Beko Azerbaycan MMC
- Bangladesh - Singer Bangladesh PLC
- Belgium - Beko Belgium NV
- Belgium - European Appliances Belgium NV
- Botswana - Defy Botswana Proprietary Ltd.
- British Virgin Islands - Pan Asia Private Equity Ltd.1
- Bulgaria - Beko Europe Bulgaria EOOD
- Canada - Beko Canada Inc.
- China - Arch R&D Co. Ltd.
- China - Arcelik Hitachi Home Appliances (Shanghai) Co., Ltd.
- China - Arcelik Hitachi Home Appliances Sales Hong Kong Limited
- China - Beko Hong Kong Limited
- China - Beko Shangai Trading Co.
- China - Beko Electrical Appliances Co. Ltd.
- Croatia - Beko Croatia d.o.o.
- Croatia - European Appliances Croatia d.o.o.
- Czech Republic - Beko Spolka Akcyjna (Beko Poland Branch)
- Czech Republic - European Appliances Czech spol. s.r.o.
- Denmark - Beko Nordic DK (Branch office of Beko Nordic AS, Norway)1
- Denmark - Beko Europe Denmark A/S
- Egypt - Beko Egypt Trading LLC
- Egypt - Beko Egypt Home Appliances Industries LLC
- Estonia - Beko Europe Estonia OU
- Finland - Beko Nordic AB (Rep Office of Beko Nordic AB, Sweden)
- Finland - Beko Europe Finland OY
- France - Beko France SAS
- France - European Appliances France SAS1
- France - European Appliances France Holdings SAS1

Subsidiaries and Branches

- Germany - Beko Germany GmbH
- Germany - Bauknecht Hausgerate GmbH
- Germany - IRE Beteiligungs GmbH
- Greece - Beko Greece SMSA
- Greece - European Appliances Greece SA
- Hungary - Beko Hungary Kft
- Hungary - European Appliances Hungary KFT
- India - VoltBek Home Appliances Private Ltd
- Indonesia - PT. Arcelik Hitachi Home Appliances Sales Indonesia
- Indonesia - PT Beko Appliances Indonesia
- Indonesia - PT Home Appliances IND
- Ireland - Beko Ireland (Beko PLC branch)
- Ireland - Hotpoint Ireland Ltd
- Israel - Beko Israel Household Appliances Ltd.
- Italy - Beko Italy SRL
- Italy - Beko Italy Manufacturing Srl
- Italy - Beko Europe Management Srl
- Italy - European Appliances Italy SRL
- Italy - European Appliances R&D SRL1
- Kazakhstan - Beko Central Asia LLC
- Kazakhstan - IHP Kazakhstan LLP
- Kenya - Defy Sales East Africa Limited
- Latvia - Beko Europe Latvia SIA
- Lithuania - Beko Europe Lithuania UAB
- Malaysia - Arcelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd.
- Malaysia - Beko Appliances Malaysia Sdn Bhd
- Morocco - Beko Morocco Household Appliances Sarl
- Morocco - Beko Maghreb Sarl
- Namibia - Defy Namibia Proprietary Ltd.1
- New Zealand - Beko A and NZ Pty Ltd. New Zealand Branch (Australia Branch)
- Norway - Beko Nordic AS
- Norway - European Appliances Norway AS

1. Arçelik at a Glance

1.3 Reporting Boundary and Scope of the Report

Subsidiaries and Branches

- Pakistan - DEL Electronics Private Limited
- Pakistan - Dawlance Private Limited
- Pakistan - United Refrigeration Industries Ltd.
- Philippines - Beko Pilipinas Corporation
- Poland - Beko SA
- Poland - Beko Poland Manufacturing Sp.z o.o. 1
- Poland - European Appliances Poland Sp. z o.o.
- Portugal - Beko Portugal Unipessoal Lda.
- Portugal - European Appliances Portugal S.A. or Beko Europe Portugal S.A.
- Romania - Beko Romania SA
- Romania - ARCwaste Collection SRL1
- Romania - European Appliances Romania SRL
- Romania - Arctic Foundation
- Russia - Beko LLC
- Russia - IHP Appliances JSC
- Russia - IHP Appliances Sales LLC
- Serbia - Beko Balkans d.o.o.
- Serbia - European Appliances Balkans d.o.o. Beograd
- Singapore - Arcelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd.
- Slovakia - Beko Slovakia SRO1
- Slovakia - European Appliances Slovakia spol. s r.o.
- Slovakia - Beko Manufacturing Slovakia spol. S.r.o
- South Africa - Defy Appliances Proprietary Limited
- Spain - Beko Spain Electronics SL
- Spain - European Appliances Spain S.A.
- Eswatini - Defy Swaziland Proprietary Limited1
- Sweden - Beko Nordic AB
- Sweden - European Appliances Nordic AB
- Switzerland - Grundig Multimedia AG1
- Switzerland - Beko Switzerland GmbH
- Switzerland - Bauknecht AG
- Switzerland - Indesit Company International Business SA

Subsidiaries and Branches

- Taiwan - Arcelik Hitachi Taiwan Home Appliances Sales Ltd.
- Thailand - Arcelik Hitachi Home Appliances (Thailand) Ltd.
- Thailand - Arcelik Hitachi Home Appliances Sales (Thailand) Ltd.
- Thailand - Beko Thai Co. Ltd.
- Thailand - Beko APAC IBC Co. Ltd.
- Thailand - Arcelik Hitachi Home Appliances IBC Co. Ltd.
- The Netherlands - Beko BV
- The Netherlands - Beko Europe BV
- The Netherlands - Beko Netherlands BV
- The Netherlands - Beko Bangladesh BV1
- The Netherlands - Beko Europe Holdings BV1
- The Netherlands - European Appliances Netherlands BV
- The Netherlands - Arcelik Hitachi Home Appliances BV1
- Türkiye - Arcelik Pazarlama AŞ
- Türkiye - Arcelik-LG Klima Sanayi ve Ticaret AŞ
- Ukraine - Beko Ukraine LLC
- Ukraine - European Appliances Ukraine LLC
- United Arab Emirates - Arcelik Hitachi Home Appliances Sales Middle East Fze
- United Arab Emirates - Beko Gulf Fze
- United Arab Emirates - Beko AE LLC
- United Arab Emirates - Beko Gulf DMCC
- United Kingdom - Beko PLC
- United Kingdom - Hotpoint UK Appliances Limited
- United Kingdom - General Domestic Appliances Ltd.1
- United Kingdom - Indesit Company UK Ltd.1
- USA - Beko US
- Vietnam - Arcelik Hitachi Home Appliances Sales Vietnam Co., Ltd.
- Vietnam - Vietbeko LLC1

1 GHG indicators are excluded

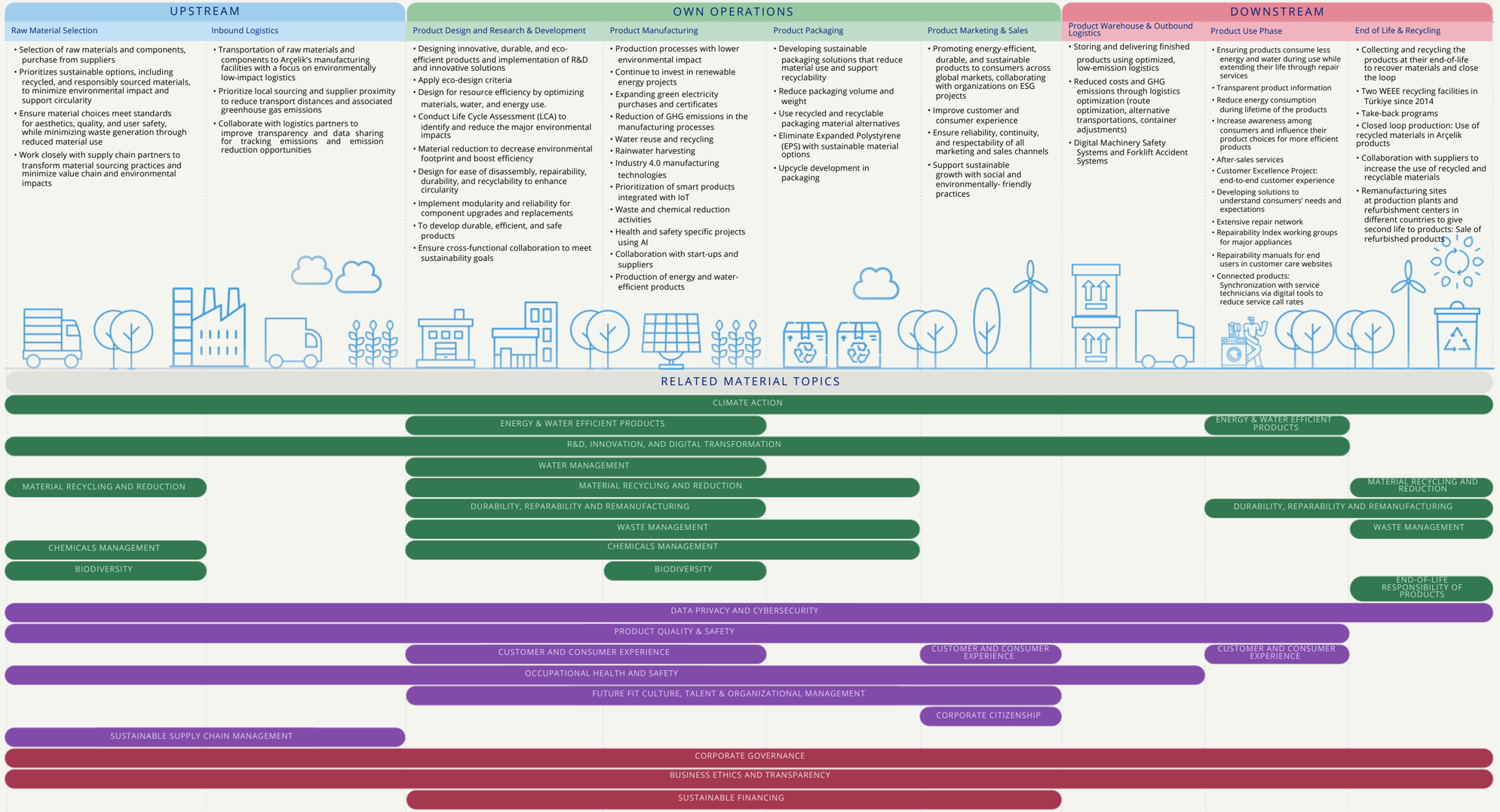
Joint Ventures

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

ZOOM-IN TO SEE THE DETAILS

1. Arçelik at a Glance

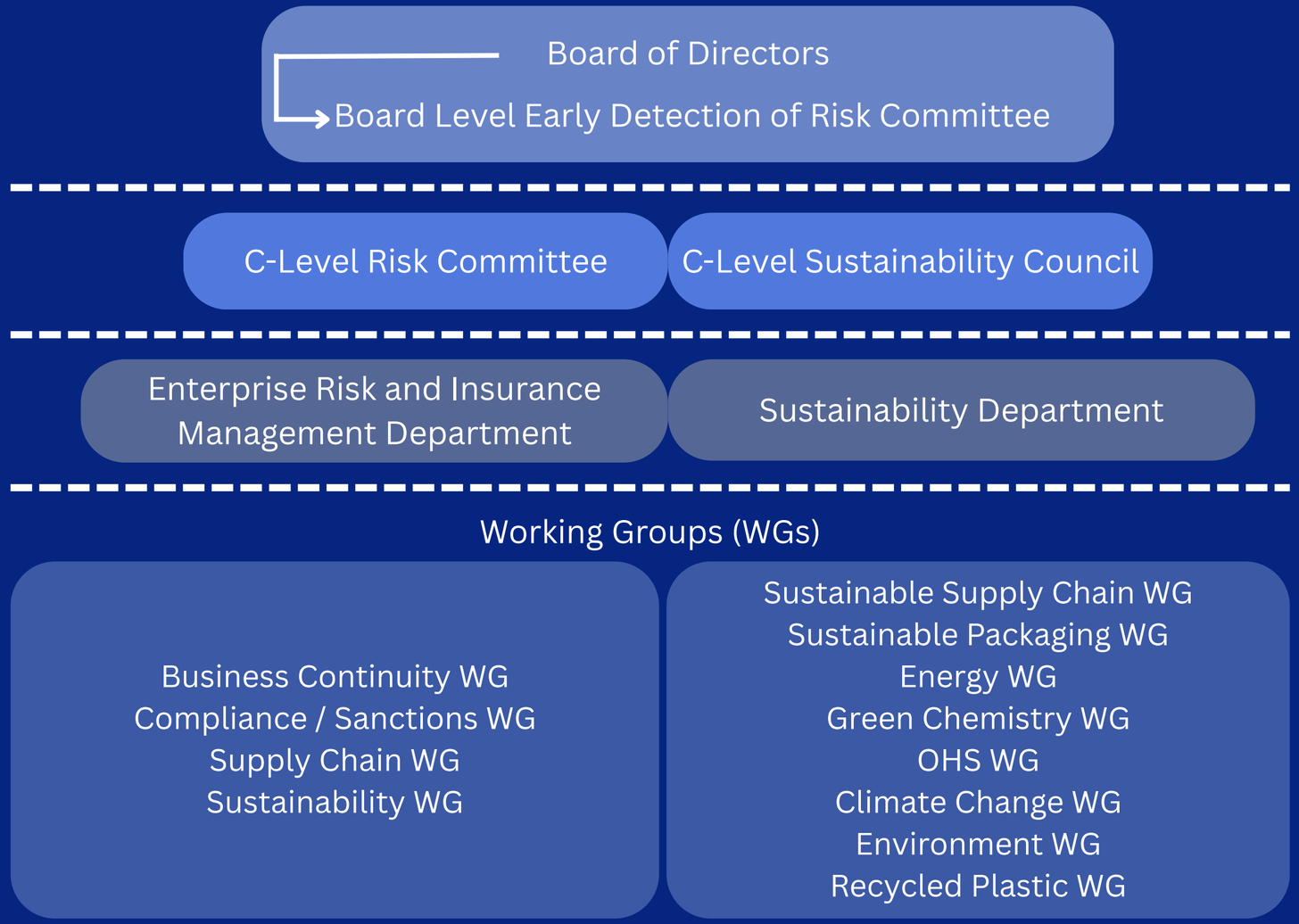
1.4 Value Chain



2. Governance

2. Governance

2.1 The Company’s Sustainability Governance Structure



- Highest governing body overseeing risk management
- One of the Board Members, also Koç Holding’s Consumer Durables President is responsible to report sustainability issues to the BoD three times a year

- Meet quarterly
- Insights from these meetings are reported to the Early Detection of Risk Committee.

- Quantification of risks
- Work in collaboration to feed the C-Level Risk Committee and Sustainability Council’s discussions.

- Issues reported to the related departments and councils

2. Governance

2.2 Roles and Responsibilities for Governance

2.2.1 The Board of Directors' Responsibility

The Board of Directors holds ultimate responsibility for overseeing both risk management and the company's sustainability strategy, which not only addresses sustainability risks and opportunities but also the broader spectrum of sustainability matters. The Board-level Early Detection of Risk Committee, acting as an advisory body to the Board, is the highest governing body for the oversight of all risks and opportunities of the Company and governs the identification and evaluation of all financial, operational, and sustainability and climate-related risks and opportunities.

At BoD level, a Board Member- who is also Koç Holding Consumer Durables' President- has been tasked with reporting the sustainability-related issues, IROs, including climate-related risks and opportunities, to the BoD three times a year. Sustainability activities are managed by the Chief Sustainability, Quality & Customer Care Officer (CSO). The CSO is the Company's highest ranking individual responsible for assessing and managing sustainability and climate-related strategies, risks and opportunities, and the execution of the entire sustainability strategy at management level in the Company. Furthermore, the CSO is the General Secretary of the Sustainability Council and the Chair of the Turkish Industry and Business Association (TÜSİAD) Environment and Climate Change Working Group. Additionally, the Chief Financial Officer (CFO) is the highest-ranking person with responsibility for monitoring and auditing risk management performance.

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

The appointed Board Member provides oversight on sustainability and climate-related matters, plays a decisive role in related decision-making processes, and holds the responsibility to report to the Board of Directors. This authority is supported by expertise and structured information flows from the Company's Chief Sustainability, Quality & Customer Care Officer (CSO), who regularly informs the Board Member on key regulational and operational developments and investment needs of the organization. The CSO, supported by a team of in-house experts in sustainability, energy, and environmental management, is responsible for the preparation and delivery of comprehensive reports. These reports are presented to the Board-level Early Detection of Risk Committee at least twice a year and to the relevant Board Member at least three times a year. The CSO is supported by the sustainability team, which provides the technical depth and subject-matter expertise necessary to evaluate and respond to sustainability and climate-related risks and opportunities. This internal structure ensures that the Board Member is consistently equipped with timely, accurate, and expert-driven insights to fulfill their oversight and decision-making responsibilities effectively. The presence of a technically competent and well-supported team under the leadership of the CSO ensures that the Board Member operates with sufficient authority and competence.

Thus, the overall responsibility for risk management, including sustainability and climate-related impacts, risks, and opportunities, ensuring that the necessary skills and competencies are in place to guide the company's value creation process over time, lies with the BoD, and risk management activities are carried out throughout the organization on an annual basis.

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

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

All sustainability targets, risks, and opportunities are communicated to the BoD and C-level executives responsible for overseeing the company's strategy. Progress is disclosed during meetings and through submitted reports. Progress related to these targets are incorporated not only into the objectives and performance metrics of the BoD and the Chief Sustainability Officer (CSO) but also into those of all responsible C-level executives and their respective units. The oversight of these targets is primarily filtered and assessed by the sustainability department before being reported to the Sustainability Council and the BoD.

To foster a risk-aware culture, the BoD ensures that

2. Governance

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

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

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

Risk and opportunity management, including sustainability and climate-related issues, are systematically integrated into the company's strategic decisions through the BoD's guidance to ensure alignment with long-term objectives and effective risk-informed planning. They evaluate risks related to market expansion, cybersecurity, key personnel, capital expenditures, new product launches, and acquisitions, ensuring risk considerations are embedded in long-term business planning. In doing so, the Board ensures that sustainability and climate-related risks and opportunities are factored into strategic decisions by requiring climate risk assessments for major projects and incorporating results from scenario analyses (e.g., IEA and IPCC-based pathways) into investment and growth strategies. These inputs are used to identify potential transition and physical risks, operational impacts, and long-term cost implications. Additionally, the BoD periodically assesses the ERM framework's effectiveness using KPIs and metrics to measure performance and identify areas for improvement.

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

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

2.2.2 The Board Level Early Detection of Risk Committee

The Board-level Early Detection of Risk Committee which was established in 2010 acts as an advisory committee to the Board of Directors in terms of early detection of financial and operational risks. The Early Detection of Risk Committee is the highest governing body for the oversight of all risks and opportunities of the Company. Thus, governing and evaluating sustainability-related risks and opportunities including climate-related ones falls under the responsibility of this committee. Additionally, once sustainability and climate-related risk and opportunity items are qualitatively and quantitatively evaluated, action plans and related investment needs are carefully laid out by each team involved in the process. Such risks are discussed at the Sustainability Council to inform the C-level and D-level and reported to the Early Detection of Risk Committee with the help of the Enterprise Risk and Insurance Management Department. To manage and mitigate the risks, action plans are taken into consideration.

2.2.3 The Sustainability Council

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

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2.2.4 The Sustainability Organization within the Company

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The highest governing body of the oversight of sustainability strategy within the company is the Chief Sustainability, Quality, and Customer Care Officer (CSO), reporting to the Chief Executive Officer (CEO), president of APPLiA (European Association of Home Appliance Manufacturers) since 2022, member of the World Economic Forum's CEO Climate Leaders Alliance, and Executive Board Member of the World Business Council for Sustainable Development (WBCSD). The Sustainability, Environment, Energy, International Regulations and Compliance, and Government and Sectoral Affairs Departments that report to the CSO Office, work to monitor, and report sustainability performance, oversee the progress on sustainability targets, initiate new projects and integrate sustainability into business processes and relations.

Roles and responsibilities concerning sustainability issues are clearly defined across the relevant bodies and departments reporting to the Chief Sustainability, Quality, and Customer Care Officer. Additionally, the Chief Sustainability, Quality & Customer Care Officer is responsible for reviewing and monitoring the alignment of the policies of the NGOs, trade associations and other related organizations or institutions with the Company's decarbonization strategy and the requirements of the Paris Agreement. These responsibilities are reflected and formalized in the Company's key policies, including but not limited to the Climate Change Strategy Policy, Energy Management Policy, Environmental Policy, and the Global Sectoral Relations Management & NGO Membership Policy.

These policies provide a clear governance framework, defining the scope of accountability, decision-making authority, and procedural guidelines for managing sustainability and climate-related matters across relevant organizational levels and functions.

↗ For further information, please refer to our Climate Change Strategy Policy, Environmental Policy, Energy Policy, and Global Sectoral Relations Management & NGO Membership Policy.

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

2.2.5 The Enterprise Risk and Insurance Management Department

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

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

2.2.6 The Sustainability and Enterprise Risk and Insurance Management Departments

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

2.2.7 Enterprise Risk Management System

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

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

The Company also aims to identify emerging risks.

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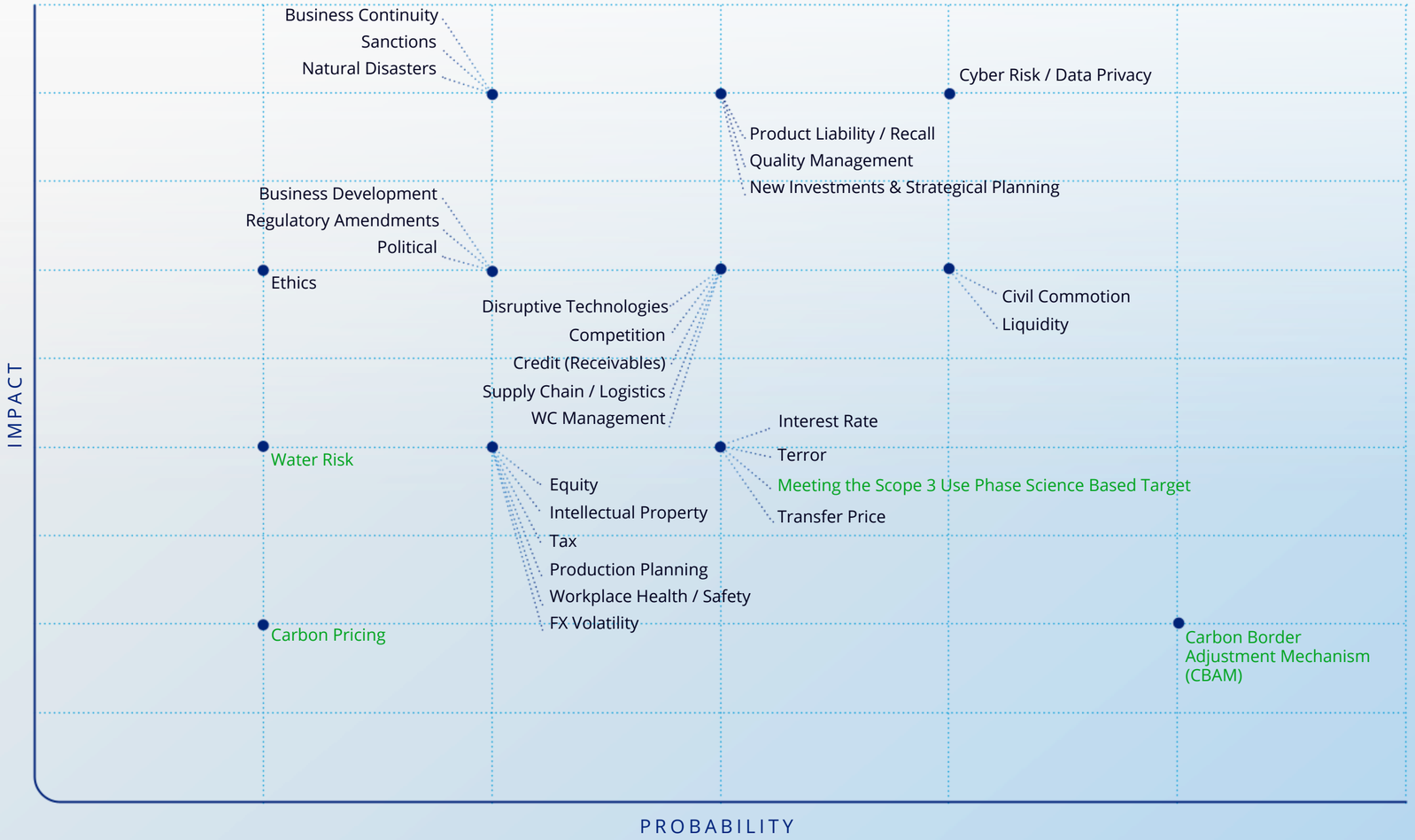
The ERM Framework of the Company and risk surveys carried out annually by departments and subsidiaries are key to determine which risks may ultimately emerge and be critical. Upon determining, the Company defines the potential impacts these risks may have on the company and the related mitigating actions.

Enterprise Risk Management Matrix



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2.2.8 Emerging Risks

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

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

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2.2.9 Integration of Sustainability into Performance Management

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

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

The governance bodies, including relevant committees and responsible individuals, oversee the process of setting sustainability and climate-related OKRs. Sustainability and climate-related targets are determined through a structured process that begins with the identification of material issues, followed by benchmarking against global frameworks and regulatory obligations, and then refined through internal stakeholder consultations to ensure relevance. This involves evaluating key sustainability and climate-related risks and opportunities and ensuring that defined objectives align with the Company's broader sustainability commitments and regulatory requirements.

Progress toward achieving sustainability OKRs is systematically tracked through performance evaluation mechanisms. Progress is tracked through quarterly OKR review periods, during which updates are provided on the level of progress made toward each target. These reviews include explanatory notes and enable clear visibility on how closely each objective is being met. Based on these insights, corrective actions are discussed and implemented when necessary. Thus, targets are reviewed regularly, and adjustments are made as necessary to align with strategic sustainability goals. The oversight structure ensures accountability and transparency in tracking sustainability performance. Sustainability-related OKRs are linked to annual performance evaluation scorecards for management positions. As a result, the success of sustainability and climate related KPIs are indirectly linked to annual compensation and bonuses.

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

2.2.10 Compensation and Reward Structure

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

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

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

Sustainability and Climate-Related OKRs of C-level Executives as a % of Total OKRs*	
Climated-related targets/all targets	10%
Sustainability-related targets/all targets	47%

**indirectly linked to executive compensation and bonuses for C-level Executives*

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Sustainability and Climate-Related OKRs of C-Level Executives												
Material Topic	Related Key Performance Indicators in Key Results (KRs)	CEO	Chief Financial Officer	Chief Sustainability, Quality, & Customer Care Officer	Chief Production & Technology Officer	Chief Marketing Officer	Chief Strategy & Digital Officer	Chief People Officer	Chief Commercial Officer - Türkiye and South Asia	Chief Commercial Officer - Europe	Chief Commercial Officer - Asia Pacific	Chief Purchasing and Supply Chain Officer
Climate Action	Reduction of Scope 1-2 GHG emissions	X	X	X	X						X	
Water Management	Reduction of water consumption	X	X	X	X							
Waste Management	Waste Reduction	X	X	X								
Product Quality & Safety	Product Quality	X	X	X	X				X		X	
Energy & Water-Efficient Products	Reduction of Scope 3 use-phase emissions	X	X	X	X	X						
Occupational Health and Safety	Occupational Health and Safety in the working environment				X			X	X			X
Sustainable Supply Chain Management	Sustainability integration in the supply chain	X	X	X	X							X
Material Recycling and Reduction	Use of recycled materials in products	X	X	X	X							X
	Use of recycled materials in packaging	X	X	X	X							X
Sustainable Financing	Green financing	X	X	X								
	Sustainable finance reporting	X	X									
Corporate Governance	Sustainability reporting regulatory compliance, Digitalization, Index rankings	X	X	X	X	X	X	X				X
Future Fit Culture, Talent & Organizational Management	Human rights			X				X	X			X
	Diversity, Equity, and Inclusion Transformation	X	X	X	X			X	X	X	X	X
	People Experience, Employee engagement & Talent Development	X	X	X	X	X	X	X	X	X	X	X

3. Strategy

3. Strategy

Arçelik closely monitors emerging climate-related risks and takes proactive measures to enhance its resilience and adaptability to potential impacts. As a result, during the reporting year, none of Arçelik's financial metrics were materially exposed to the effects of climate change—either in relation to physical risks or transition risks. The identification of risks and opportunities has also been guided by the KGK's Guidance on Sector-Based Implementation of TSRS 2, Volume 2 – Appliance Manufacturing and SASB framework and the sector-specific annexes of the TSRS.

In response to the requirements to disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks, as well as those aligned with climate-related opportunities, we confirm that we do not have any idle production lines or obsolete technologies. As our platforms are renewed and new energy efficiency regulations are introduced, we continuously update our product designs to align with these developments.

Regulatory analyses have been conducted for our key operating regions, including Türkiye, Europe, the Americas, and Asia-Pacific. Emerging and upcoming regulations in these regions have been thoroughly examined. The risks and opportunities associated with these regulations have been identified and assessed on a company-wide basis across all major regions where the Company operates globally. Those posing significant risks are described in the tables below.

There were no instances in the reporting year where the Company needed to repurpose, improve, decommission, or redeploy existing assets in response to climate-related issues.

3. Strategy

3.1 Climate-related Risks and Opportunities

3.1.1 Risk and Opportunity Definitions

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

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

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

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

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

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

The company evaluates the potential impacts of climate change across defined time horizons, which are closely aligned with its strategic priorities, the expected development of sustainability initiatives, and its long-term strategy.

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

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

3. Strategy

3.1.2 Scenario Analyses

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

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

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

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

3. Strategy

3.1.2 Scenario Analyses

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

3. Strategy

3.2 Detailed Climate-related Risks and Opportunities

3.2.1 Summary of Climate-related Risks & Opportunities

	Short Term				Medium Term		
Climate-Related Risks & Opportunities	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Risk 1: Carbon Border Adjustment Mechanism (CBAM)			TRY 97,729,966 –206,636,623				
Risk 2: Carbon Pricing Mechanisms							TRY 72,878,311 – 116,418,009
Risk 3: Meeting Science Based Targets Initiative (SBTi)							TRY 550,248,748 – 628,705,293
Risk 4: Water Risk							TRY 230,511,542 – 345,760,483
Opportunity 1: Energy Efficient Products	TRY 265,401,465,717						
Opportunity 2: Renewable Energy Investment	TRY 93,349,436						
Opportunity 3: Water Recycling, Reuse, Withdrawal	TRY 34,686,436						
Opportunity 4: Green Financing	TRY 78,965,806						

These values to reach the calculated risk and opportunity impact have been calculated through the forecasted minimum and maximum financial impact of the risk in the indicated year, discounted to 2024 using the Weighted Average Cost of Capital (WACC).

Risk and Opportunity Impact | High | Moderate | Low

3. Strategy

3.2.2 Climate-related Transition Risks

Risk 1: Carbon Border Adjustment Mechanism (CBAM)

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

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

ZOOM-IN TO SEE THE DETAILS

3. Strategy

3.2.2 Climate-related Transition Risks

Risk 2: Carbon Pricing Mechanisms

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

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

CARBON PRICES IN 2030 (USD PER tCO2)

Stated Policies Scenario

European Union	140
China	39

Announced Pledges Scenario

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

Net Zero Emissions by 2050 Scenario

Advanced economies with net zero pledges	140
Selected emerging market and developing economies with net zero emissions pledges	90
Selected emerging market and developing economies without net zero emissions pledges	25
Other emerging market and developing economies	15

From IEA World Energy Outlook 2024

3. Strategy

3.2.2 Climate-related Transition Risks

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

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

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

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

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3.2.3 Climate-related Physical Risks

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

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

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

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

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

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

ZOOM-IN TO SEE THE DETAILS

3. Strategy

3.2.3 Climate-related Physical Risks

Risk 1: Water Risk

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

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

3. Strategy

3.2.4 Climate-related Opportunities

Opportunity 1: Products with Less Negative Environmental Impact

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

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

3. Strategy

3.2.4 Climate-related Opportunities

Opportunity 2: Renewable Energy Investment

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

Financial Impact of Opportunity			
Estimated Financial Effect of Opportunity	TRY 93,349,436	**Estimated Financial Effect of Opportunity Corresponding Item in the Consolidated Financial Table**	Forecast Value - Operating Profit
Calculation Rationale	Thanks to the renewable energy investments and roadmap, the Company has made savings during 2024 from the cost paid to grid and from green electricity certificate cost.		
Cost to Realize Opportunity	TRY 1,682,344,554 *	**Cost to Realize Opportunity Corresponding Item in the Consolidated Financial Table**	Cash outflows from purchases of property, plant and equipment and intangible assets**
Calculation Rationale	In order to seize the opportunity of cost saving, Arçelik needs to realize the planned renewable energy investments. Therefore, the Company has been implementing renewable energy systems since 2019. The cost to realize opportunity is equal to the Company's investment in renewable energy for the period 2019-2024.		

*2023 and 2024 figures have been indexed to the purchasing power of December 2024 with the application of IAS 29 Financial Reporting in Hyperinflationary Economies.
**For 2024 financial investments (TRY 1,132,520,340), "Cash outflows from purchases of property, plant and equipment and intangible assets" items should be considered in 2024 Annual Report, while for the previous years' data, previous years' annual reports should be reviewed.

ZOOM-IN TO SEE THE DETAILS

3. Strategy

3.2.4 Climate-related Opportunities

Opportunity 3: Investments in Water Harvesting, Recycling and Reuse

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

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

*For 2024 financial investments (TRY 30,481,682), "Cash outflows from purchases of property, plant and equipment and intangible assets" items should be considered in 2024 Annual Report, while for the previous years' data, previous years' annual reports should be reviewed.

3. Strategy

3.2.4 Climate-related Opportunities

Opportunity 4: Green Financing

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

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

*For 2024 financial expenses, 'General administrative expenses' item should be considered in 2024 Annual Report, while for the 2021-2023 expenses, 'General administrative expenses' in the financial statements of the other years should be reviewed.

3. Strategy

3.3 Business Continuity Management

Building a resilient business model in response to the risks and opportunities posed by climate change is one of our key priorities. In this context, we assess both physical and transition risks and integrate these considerations into our operational processes. Our detailed evaluations across short-, medium-, and long-term time horizons—based on our defined classifications—support strategic decision-making and enhance our operational agility.

Phase-1 of the Business Continuity Project, implemented in accordance with the ISO 22301 Standard to ensure that the products and services of the Head Office, the pilot plants and subsidiaries can continue at an acceptable level following a possible interruption, has been completed. The project is intended to ensure a fast and effective response to any unexpected business interruption or crisis within the framework of contingencies, crisis management and business recovery management plans, and to secure business continuity in the event of such an occurrence by eliminating the impacts on the company's facilities, operations, financials, reputation, and stakeholders. Within this scope, we aim to ensure effective and timely use of resources, as well as efficient internal and external stakeholder communication amid the crisis environment.

Eskişehir Plant has been selected as the pilot facility for three different risk scenarios, including the earthquake risk. In this context, potential loss, investment amounts, and the timeline for the plant's recovery have been determined; suppliers' turnovers, availability of their alternatives, and financial positions have been examined; and a supplier Risk Matrix has been created on the basis of critical commodity groups. The maturity levels of insurance among our critical suppliers regarding their own risk reduction were assessed through surveys with selected suppliers, and necessary actions were taken as part of contract management. In the case of the Bolu Plant, a strategy for production redundancy was established, identifying alternative production facilities for the critical product range on both a country and plant level to prepare for potential disasters. As part of the Business Continuity Project, training and drills are conducted with the relevant teams, led by Enterprise Risk Management, focusing on Business Continuity, Emergency Coordination, Operational Risks, and Work Safety.

4. Risk Management

4. Risk Management

4.1 Climate-Related Risk and Opportunity Management

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

4.2 Process for Identifying, Assessing, Prioritizing and Managing Climate-Related Risks and Opportunities

The BoD plays a critical role in overseeing and guiding the enterprise risk management (ERM) framework within the company. They are responsible for ensuring that the company identifies, assesses, prioritizes, and manages sustainability and climate-related risks and opportunities effectively to protect shareholder value and the company's long-term sustainability, influencing strategic planning, investment decisions, and operational management.

The BoD ensures that the company has a formal, structured approach to identifying, assessing, managing, and monitoring risks and opportunities. They approve the ERM strategy and ensure that the company has the right processes and resources in place to manage risks effectively. The company has a detailed Gross Risk Universe and Risk Scorecard for the risks identified.

4.2.1 Risk and Opportunity Identification

We identify climate-related risks and opportunities through a comprehensive approach that includes monitoring existing and emerging regulations, evaluating regulatory developments across the countries in which we operate, and using scenario analyses. In doing so, we also consider relevant industry-specific guidance provided by the SASB Standards and the Public Oversight Authority (KGK)'s Guidance on Sector-Based Implementation of TSRS 2, Volume 2 – Appliance Manufacturing sector appendices to ensure our assessments reflect material issues for our sector. This process is supported by both internal and external evidence — such as risks and uncertainties considered in budgeting and investment decisions, shifts in customer, supplier, or financial arrangements, as well as industry disclosures, jurisdiction-specific outlooks, and emerging topics highlighted in sustainability reporting standards.

4.2.2 Risk and Opportunity Assessment

We quantify identified risks using scenario analyses explained in the "Scenario Analyses" section of this Report and our assumptions. When applicable, the quantified risks and the estimated costs of related mitigation or adaptation actions are integrated into the Company's financial planning, including budgets, investment evaluations, and broader business decisions. These impacts may be expressed through changes in projected cash flows or by adjusting discount rates or expected returns.

Scenario analyses enables the Company to explore different potential future pathways to assess the resilience of its strategy and operations. Through the application of these sustainability and climate-related scenarios, the Company identifies and assesses both transition and physical sustainability and climate-related risks across its operations and value chain.

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

4.2.3 Risk and Opportunity Prioritization

The Company prioritizes risks, including sustainability and climate-related risks and opportunities, based on their potential impact and likelihood. The company assesses the nature, likelihood, and magnitude of sustainability and climate-related risks and opportunities by applying both qualitative factors (e.g., expert judgment, stakeholder feedback) and quantitative thresholds (e.g., financial impact estimates, emission scenarios, probability metrics). Risks and opportunities are scored based on perceived likelihood and potential financial, operational, or reputational impact, and are recorded in the Risk Scorecard.

Given the long-term implications and growing regulatory focus, the company considers sustainability and climate-related risks and opportunities to be strategically significant and prioritizes them on par with other critical risks such as financial, operational, strategical, and compliance risks. Their prioritization is based on their likelihood, potential financial, reputational, and regulatory impact, magnitude, severity and is guided by the company's long-term sustainability strategy. Additionally, the board defines the company's risk appetite — the level of risk the company is willing to take to achieve its objectives — and risk tolerance thresholds. This helps the decision-making that align with the company's overall strategy while staying within acceptable levels of risk.

↗ For further information, please refer to the Climate-related Risks and Opportunities section and the ERM Matrix of the Report.

4.2.4 Risk and Opportunity Monitoring

Climate-related risks included in the Company's risk register are reviewed annually by the BoD. This review assesses whether updates to the risk evaluations are necessary and tracks the progress of mitigation or adaptation efforts. If specific targets have been set in relation to a risk, progress toward achieving those targets is also evaluated. Monitoring of climate-related risks and opportunities is embedded into ongoing business activities to ensure continuous oversight and responsiveness.

Furthermore, the monitoring process for sustainability and climate-related risks remained consistent with the previous reporting period, with ongoing improvements being evaluated for future integration.

4. Risk Management

4.2.5 Risk and Opportunity Improvement

To ensure relevance and accuracy, the Company reassesses climate-related risks and opportunities where needed in response to significant events or material changes in circumstances, recognizing their importance for both the organization and its key stakeholders.

Process for Identifying, Assessing, Prioritizing and Managing Climate-Related Risks and Opportunities

5. Metrics and Targets

5. Metrics and Targets

5.1 Environmental Management

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

We are taking steps to limit the increase in global temperatures to the 1.5-degree. To achieve this, we are investing heavily in energy efficiency and renewable energy in production and purchasing green electricity to further decrease GHG emissions. We are also investing heavily in R&D to produce energy-efficient products to reduce the GHG emissions associated with the use phase of the products. In addition, we evaluate our operations and assets according to our exposure to climate-related hazards and transition events, and relative sensitivity analyses are being conducted. According to the results of these studies, currently there are no assets or activities considered as incompatible with the climate-neutral economy.

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

Our environmental indicators, including targets and methodologies, are verified by a third-party organization to ensure accuracy, transparency, and alignment with industry standards. We regularly review our Sustainability and climate-related targets through structured internal processes to ensure alignment with our broader sustainability strategy and long-term goals. These reviews are conducted at least annually, with oversight from relevant departments and input from business units across the organization. Progress is monitored using a combination of qualitative assessments and quantitative performance indicators. These metrics are tracked through internal monitoring systems. Insights gained through these reviews inform strategic decision-making, resource allocation, and the continuous improvement of our sustainability efforts.

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

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

5.2 Decarbonization Targets and Climate Transition Plan

5.2.1 2050 Net Zero Commitment in Line with Science Based Targets Initiative Corporate Net Zero Standard

The Company adopts science-based methodologies aligned with sectoral decarbonization frameworks to effectively reduce GHG emissions. Its strategy emphasizes targeted investments in renewable energy projects that aim to fully meet electricity demand through renewable sources, while simultaneously enhancing operational efficiency and decreasing reliance on fossil fuels across production and distribution activities. The Company is committed to continuously lowering GHG emissions by improving energy efficiency and transitioning from fossil fuels to renewable alternatives within its manufacturing processes.

We have committed to the Science Based Targets Initiative to become a net zero company as of 2050 in line with the Science Based Targets Initiative Corporate Net Zero Standard*. Within the scope of this commitment, our new near-term and net-zero targets which are aligned with the 1.5°C climate scenario were officially validated by the Science Based Targets Initiative (SBTi) in November 2024.

** CO2, CH4, N2O, HFCs and SF6 are included within the scope of the target.*

In the scope of our new near-term target, we commit to reduce our absolute Scope 1 and Scope 2 emissions by 42% by 2030 from a 2022 base year and reduce Scope 3 emissions from the use of sold products by 42% for the same period. Our overall net zero target is to reach net zero greenhouse gas emissions across value chain by 2050. In the scope of our long-term net-zero target, we commit to reduce absolute Scope 1 and Scope 2, emissions by 90% and Scope 3 GHG emissions by 90% as well by 2050 from a 2022 base year. We aim to do this by taking challenging innovative actions in our entire value chain. For our 10% residual emissions, we commit to investing in qualified nature and/or technology- based carbon removal projects in line with the SBTi Corporate Net Zero Standard.

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

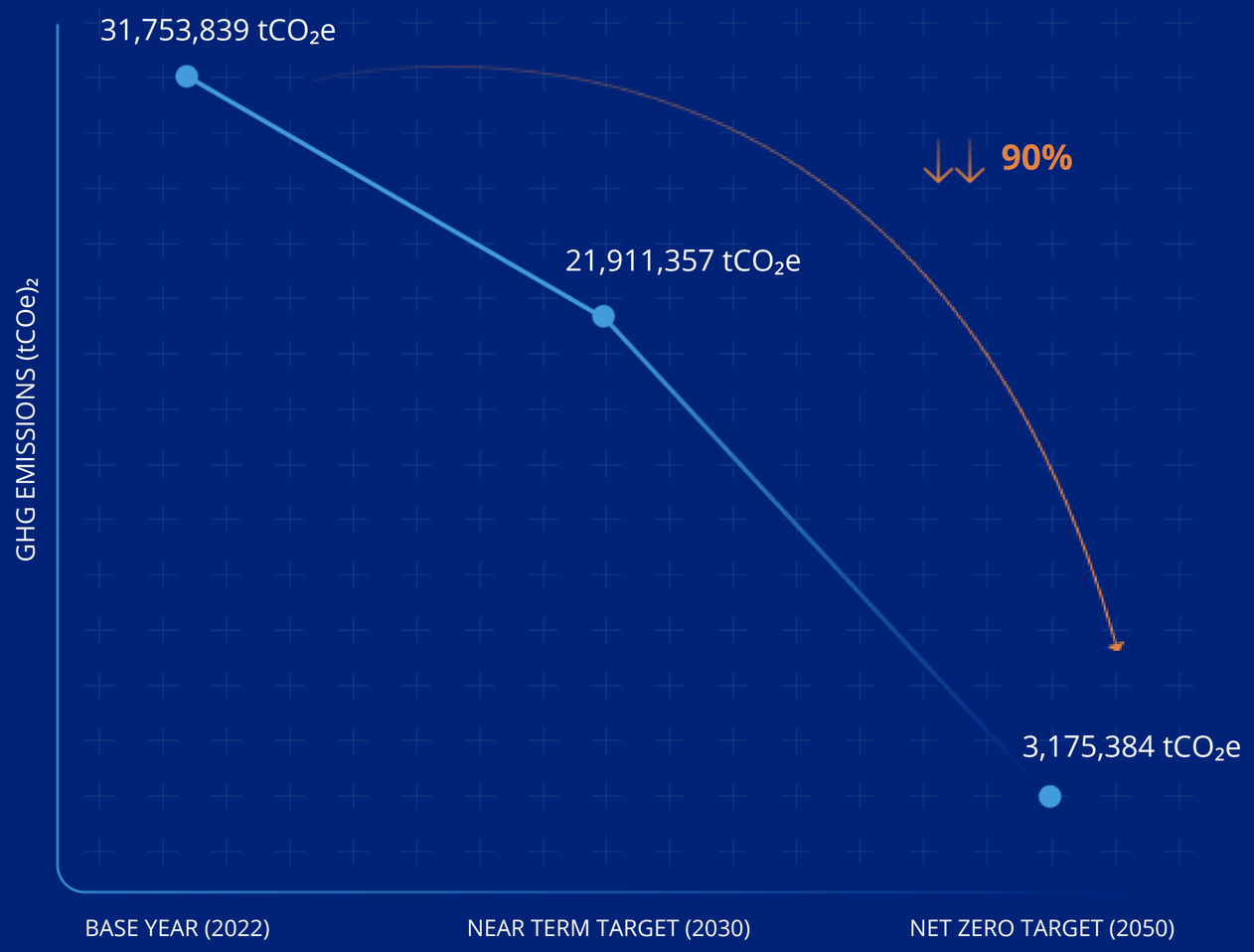
With our new 1.5°C-aligned targets, we broaden target to all manufacturing facilities including joint ventures for Scope 1, 2 and Scope 3 emissions. For Scope 3 emissions stemming from the use phase, the target includes Major Domestic Appliances (MDAs), Small Domestic Appliances (SDAs),

5. Metrics and Targets

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

5. Metrics and Targets

5.2.1.1 Net Zero Roadmap



By 2030:	**42% reduction** in Scope 1, Scope 2 and Scope 3 use-phase emissions**
By 2050:	**90% reduction** in all Scope 1, 2 and 3 emissions, investing in carbon removal projects for the **residual 10%** of emissions
2022 Coverage:	All manufacturing facilities including JVs MDAs, SDAs, TVs and A/Cs

**2030 Scope 3 Target covers use-phase emissions of dishwasher, dryer, frontload washing machine, hob, hood, microwave, oven, refrigerator, television, vacuum cleaner, washer dryer, air conditioner product groups while 2050 Target covers all emissions in the base year.

5. Metrics and Targets

5.2.2 Net Zero Roadmap in Detail

Scope 1&2

- Energy efficiency projects including compressed air, energy efficiency in HVAC systems and lighting systems, insulation, heat recovery, energy efficient motor transition and process optimization
- Improving energy efficiency in buildings and LEED certified manufacturing facilities
- Increasing the number of ISO 50001 EnMS certified factories and doubling economic output for every unit of energy consumed
- Electrification in manufacturing
- Low GWP refrigerant usage in manufacturing
- Transition to electric cars and forklifts
- Use of green hydrogen where possible (to be considered after 2030)
- Making significant investment to achieve the 2030 target to reach 100 MWp renewable energy capacity and starting to work towards surpassing 110 MWp capacity by 2040
- Aiming for 100% renewable electricity with renewable energy systems for self-consumption and EACs and PPAs in all manufacturing facilities
- Using more renewable thermal energy in manufacturing facilities

Scope 3 Emissions Generated During Product Use Phase

- Increasing penetration of super energy-efficient products globally, including developing and emerging countries without energy regulation
- Increasing penetration of solar-powered refrigerating appliances especially in South Africa, Pakistan, India, Bangladesh
- Accelerating the phase out of high GWP refrigerants with the transition of low GWP refrigerant in all our products
- Increased R&D for efficient and affordable products
- Using refrigerators comprising low thermal conductivity insulators (<10 mW/m°K), fully VIP based insulation, injectable aerogel applications (3 mW/m°K)
- Implementing new and novel heat pump technologies, VCC compressor with higher performance
- Using non-fluorinated refrigerant heat pump systems in all washing machines and dishwashers
- Increasing communication activities on environmentally friendly products, energy and water saving tips at home with the aim to educate consumers to make informed choices
- Creating applications allowing gamification-based awareness campaigns with the users of connected appliances for more energy and water saving based on preferences of the consumer and more awards generated
- Collaborating with relevant stakeholders including NGOs which follow programs that develop energy efficiency policies on household products to increase minimum energy efficiency labelling requirements especially in emerging markets
- Working with financing institutions to make energy-efficient appliances financially available for more consumers

Scope 3 Logistics Emissions

- Working towards the target to reduce emissions resulting from logistics operations by 90% by 2050 in line with corporate goals
- Reducing number of shipments
- Increasing the rate of lower-emission transportation modes
- Switching to biofuel alternatives, gradually increasing biofuel alternatives for downstream transportation
- Switching to electric transport alternatives using electricity from renewable source
- Route Optimization

Scope 3 Emissions from Materials Used in Products

- Increasing recycled materials amount used in products and packaging
- Decreasing raw material amount used in the products
- Increasing recovered materials used in the products from Company's own WEEE Recycling Plants
- Searching for green steel alternatives

5. Metrics and Targets

The Company is committed to achieving its near-term SBTi targets by 2030 and reaching net zero emissions across its entire value chain by 2050. To deliver on these goals, the Company follows a structured transition plan focused on renewable energy usage, energy efficiency, water and waste efficiency, sustainable supply chain management, innovation in product design, R&D efforts for efficient and affordable products.

As part of its 2030 roadmap, the Company is investing significantly in renewable energy to meet its electricity needs entirely from renewable sources—targeting an installed capacity of 100 MWp by 2030 and aiming to exceed 110 MWp by 2040. In parallel, energy efficiency remains a strategic priority across operations, with actions including LED lighting upgrades, compressed air system optimization, and the electrification of manufacturing processes.

To reduce Scope 3 use-phase emissions, the Company is expanding the adoption of super energy-efficient appliances, solar-powered solutions, and low-GWP refrigerants. R&D investments are driving the development of innovative technologies such as heat pumps, vacuum insulation panels, and non-fluorinated refrigerant systems to ensure affordability and performance.

The Company is also addressing Scope 3 emissions related to logistics and materials. It aims to reduce logistics-related emissions by 90% by 2050 through route optimization, shifting to lower-emission transport modes, and deploying electric or biofuel-powered vehicles. In materials, efforts are underway to increase the use of recycled and recovered inputs in products and packaging, and to explore green steel alternatives.

In materials, efforts are underway to increase the use of recycled and recovered inputs in products and packaging, and to explore green steel alternatives. The Company will continue its investments to meet 2030 goals and realize its long-term net-zero ambition by 2050.

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 will 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.

↗ For further information on Sustainability targets, please refer to the Sustainability Targets and Sustainability Targets and Progress section of this Report.

↗ For further information, please refer to the Sustainable Financing section of the Report.

Projects performed in 2024 and their savings are presented in the table below:

	2024 Projects	**2024 Financial Saving**	**2024 Saving**
Energy Efficiency	332 energy-efficiency projects focusing on insulation, waste heat recovery, transition to energy-efficient motors, and the optimization of systems including compressed air, heating, ventilation, air conditioning, and lighting	TRY 48,725,533	5,800 tCO_2e emissions
Renewable Energy & Green Electricity	Photovoltaic solar systems established on our roofs, concentrated solar power plant, solar wall technologies, and ground-mounted solar power plants commissioned in Aksaray and Kayseri	TRY 107,209,851	13,416 tCO_2e emissions
Water Efficiency	7 water efficiency focusing on recycling and reusing wastewater and rainwater harvesting projects	TRY 1,201,482	223,650 m^3 of water
Waste Recycling	2 waste reduction, reuse, and recycling projects	TRY 842,704	374 tonnes of waste

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

The reported total capital investments and operating expenses related to environmental initiatives, as well as our total expenses for the reporting year, do not necessarily correspond directly to the outcomes of the individual projects listed in the above table.

5. Metrics and Targets

5.2.3 Net Zero Roadmap Alignment with Strategy

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

Our Science Based Targets initiative (SBTi)-validated targets are embedded across key business functions, including capital allocation, budgeting, and performance management, ensuring that climate action is operationalized at all levels. We prioritize investments that advance decarbonization within our strategic planning and investment review processes.

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

By embedding climate priorities —such as improving energy and water efficiency, increasing the use of renewable energy, reducing greenhouse gas emissions across our operations and value chain, enhancing product circularity, investing in low-impact production technologies — across decision-making processes and financial systems, we ensure that our transition plan is not treated as a standalone initiative but as a foundational element of how we operate, grow, and create shared value.

5.3 Greenhouse Gas (GHG) Emissions

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

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

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

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

**The source of emission factors and the global warming potential (GWP) rates used for calculations: IPCC, Defra, IEA, and Ecoinvent database.*

5. Metrics and Targets

5.3 Greenhouse Gas (GHG) Emissions

	2024
GHG Emissions (tCO_2e) Scope 1-2 GHG Emissions (tCO_2e)	
Total Direct Scope 1 GHG Emissions (tCO_2e)	90,249
Location-based Scope 2 emissions (tCO_2e)	244,557
Market-based Scope 2 emissions (tCO_2e)	123,321
Total Indirect Scope 2 GHG Emissions (tCO_2e)	123,321
Total Scope 1&2 GHG Emissions (tCO_2e)	**213,570**

Scope 3 GHG Emissions (tCO_2e)	**2024**
Category1: Purchased Goods and Services	5,714,946
Category2: Capital Goods	113,590
Category3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	12,852
Category4: Upstream Transportation and Distribution	340,280
Category5: Waste Generated in Operations	3,797
Category6: Business Travel	2,492
Category7: Employee Commuting	103,912
Category8: Upstream Leased Assets	25,892
Category9: Downstream Transportation and Distribution	293,896
Category10: Processing of Sold Products	**
Category11: Use of Sold Products*	32,165,367
Category12: End-of-Life Treatment of Sold Products	12,851
Category13: Downstream Leased Assets	218
Category14: Franchises	**
Category15: Investments	**
Others	**
Total Indirect Scope 3 GHG Emissions (tCO_2e)	**38,790,093**
Total Scope 1&2&3 GHG emissions (tCO_2e)	**39,003,663**

*The coverage includes MDAs, SDAs, TVs, and ACs

** The areas reported signify they do not have a material impact in our emissions.

Scope 1&2 GHG Emissions (tCO_2e)	**Arçelik A.Ş.**	**Arçelik-LG Klima Sanayi ve Ticaret A.Ş. & VoltBek Home Appliances Private Limited**
Total Scope 1 GHG Emissions (tCO_2e)	76,725	8,897
Total Scope 2 GHG Emissions (tCO_2e)	102,724	11,246

Due to their minimal impact, Koç Finansman A.Ş. and Ram Dış Ticaret A.Ş. have not been included within the scope due to negligible emissions.

5. Metrics and Targets

5.4 Internal Carbon Pricing: Shadow Price

We use an internal carbon pricing mechanism to identify investment costs more accurately by taking into account a possible climate transition scenario where Emissions Trading Systems (ETS) or a potential additional cost mechanism for some raw materials may come into force within the framework of the EU Green Deal. Considering these scenarios and implementing an internal carbon pricing mechanism as a strategic decision- making component related to capital investments paves the way for reducing financial risks that may arise in the short and medium term. We use Shadow Price internal carbon pricing mechanism with a price of EUR 50 per tCO_2e applied for the machinery and equipment investments above 50 kW installed capacity and EUR 50,000 capital cost. Using this mechanism helps us change internal 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. Additionally, we conduct cost-benefit analyses to support investment decisions and ensure that climate-related considerations are incorporated into both strategic planning and financial forecasting. The internal carbon price also supports our ability to incentivize the inclusion of climate-related risks into our broader risk assessment framework, further reinforcing the integration of sustainability into core business processes. It also supports our efforts toward setting and achieving climate-related targets, acting as a financial driver toward our long term decarbonization strategy. In addition, our internal carbon pricing framework helps drive energy efficiency across operations by prioritizing investments and actions that lead to lower energy consumption and reduced emissions.

5.5 Climate-related Targets

The company discloses specific quantitative and qualitative targets it has set to support its sustainability strategy, as well as those it is required to meet under applicable laws and regulations. These targets are designed to track progress toward the company’s long-term strategic objectives. Each target is accompanied by a defined timeframe, clearly indicating the period in which it is valid. The company also provides information on interim milestones and progress checkpoints to ensure transparency and accountability over time. To support effective monitoring, the company explains the metrics used to evaluate progress against each target. This includes identifying the baseline year against which performance improvements are measured. For each target, the company conducts an analysis of performance, highlighting any trends, shifts, or developments that have occurred over the reporting period. This includes both positive progress and areas where further improvement is needed. The company also discloses any climate-related targets, including those related to greenhouse gas (GHG) emissions, which are essential for achieving its broader climate and sustainability commitments. These include both voluntarily established targets and those required by legislation or regulation. Additionally, the company provides detailed disclosures on its performance against climate-related targets, supported by an analysis of trends and changes in performance over time. This ensures stakeholders have a clear understanding of the company's progress toward climate action and other sustainability objectives.

As our Company expands its operations and reviews its strategy, our sustainability targets have been revised compared to the previous years in 2024 by including Beko Europe’s operations. These targets align with our long-term vision and commitment to creating value for our stakeholders. For details on our progress toward previously set targets (in which Beko Europe was not included), please see the table below titled “Sustainability Targets and Progress”.

ZOOM-IN TO SEE THE DETAILS

5. Metrics and Targets

5.5.1 Climate Targets

Our Science Based Targets	Target Year1		Base Year2	Base Year Data	2023 Progress	2024 Progress	Target Status	Target Completion Rate2	Related Capitals
	2030	2050							
Reduce absolute Scope 1-2 GHG emissions approved by the SBTi	42%	90%	2022	175,448 tCO_2	4% reduction	3% reduction	In Progress	7%	NC, MC, FC
Reduce absolute Scope 3 GHG emissions from use of sold products approved by the SBTi	42%	-	2022	25,821,408 tCO_2	6% increase	5% increase	In Progress	-12%	NC, MC, FC
Reduce absolute Scope 3 GHG emissions approved by the SBTi	-	90%	2022	31,577,139 tCO_2	2% increase	9% increase	In Progress	-10%	NC, MC, FC

Our 2030 - 2040 Targets	Target Year1		Base Year3	Base Year Data	Target Status	Related Capitals
	2030	2040				
Green electricity usage ratio in all manufacturing facilities	100%	100%	2024	60.5%	Newly set	NC, MC, FC
Establish renewable energy systems with a capacity	100 MWp	110 MWp	2024	90.2 MWp	Newly set	NC, MC, FC
Reduce energy consumption per product in all manufacturing facilities4	15%	30%	2024	0.00293 TOE/product	Newly set	NC, MC, FC
Reduce water withdrawal per product in all manufacturing facilities4	10%	25%	2024	0.08713 m3/product	Newly set	NC, MC, FC
Reduce water discharge per product in all manufacturing facilities4	10%	25%	2024	0.07445 m3/product	Newly set	NC, MC, FC
Increase water recycling and reuse ratio in all manufacturing facilities	25%	35%	2024	8%	Newly set	NC, MC, FC
Increase waste recycling ratio in all manufacturing facilities5	99%	99%	2024	98.5%	Newly set	NC, MC, FC
Increase refurbishment ratio in our Refurbishment Centers6	85%	90%	2024	81%	Newly set	NC, MC, FC
Arçelik Green Chemistry Management System implementation in all manufacturing facilities	80%	100%	2024	55%	Newly set	NC, MC, FC
Increase recycled plastic usage in our manufacturing facilities7	40%	50%	2024	18%	Newly set	NC, MC, FC

1 Target year dates signify “by the end of” the year determined
2 The target completion rates for Scope 1-2 and Scope 3 GHG emissions from the use of sold products were calculated based on the 2030 targets, while the target completion rate for Scope 3 GHG emissions was calculated based on the 2050 target.
3 Since Beko Europe has been added to the scope, the base year has been adjusted as 2024 for all targets excluding emission reduction target. This target's scope will be expanded after a new submission is made to the SBTi to be approved.
4 The target’s base year was calculated using Beko Europe’s full-year data, although third-party assurance by EY covered only the April–December period due to the merger timing.
5 Domestic waste is excluded.
6 The scope of the target includes the centers in the UK, Italy and Romania.
7 The scope of the target excludes refrigerator manufacturing facilities due to the limited possibility of use in food contact parts.
FF: Forward Faster
NC: Natural Capital, MC: Manufactured Capital, FC: Financial Capital, IC: Intellectual Capital, HC: Human Capital, SC: Social Capital

ZOOM-IN TO SEE THE DETAILS

5. Metrics and Targets

5.5.2 Climate Targets and Progress

To provide context and transparency, we have included a summary of our progress against the targets with the scope shared in our previous report.

TARGETS	TARGET YEAR 2025	TARGET YEAR 2030	PROGRESS IN 2022	PROGRESS IN 2023	PROGRESS IN 2024	TARGET STATUS	TARGET COMPLETION RATE
Green electricity usage in all manufacturing facilities1	-	100%	65% (cumulated)	64% (cumulated)	61.8% (cumulated)		61.8%
Establish renewable energy systems	10 MWp	50 MWp	10.2 MWp (cumulated)	20.3 MWp (cumulated)	90.2 MWp (cumulated)		100%
Reduce energy consumption per product in all manufacturing facilities 2 (base year 2015)	-	45%	26.5%	25.7% reduction	20.7% reduction		46%
Make an investment in renewable energy and energy efficiency (base year 2019)	-	USD 50 million	USD 16,353,840 (cumulated)	USD 31,140,361 (cumulated)	USD 66,031,988 (cumulated)		100%
Reduce water withdrawal per product in all manufacturing facilities3 (base year 2015)	-	45%	32% reduction	25% reduction	22.8% reduction		51%
Increase the water recycling and reuse ratio4 in all manufacturing facilities3	-	70%	9%	7%	9.7%		14%
Increase the waste recycling rate5 in all manufacturing facilities3	-	99%	96%	95%	98%		99%
Arçelik Green Chemistry Management System implementation in products and all manufacturing facilities	-	100%	42%	42.4%	45%		100%
Increase recycled plastic content6	20%	40%	8%	10%	16%		40%
Increase bio-based material content6	2.5%	5%	Limited usage	Limited usage	Limited usage		NA
Implement ISO 50001 Energy Management Systems across all manufacturing facilities	-	100%	71%	78%	88%		88%
Reach Arçelik-branded PV panel sales per year	450 MW	-	85 MW	207 MW	340 MW		75%
Using recycled cardboard outer boxes for our own product boxes	-	80%	83%	85%	64%		81%
Decreasing wooden plate consumption for our own product packaging	-	5%	NA	12%	24%		100%
Having enabled the suppliers to switched to recycled cardboard outer boxes of their products	-	80%	44.3%	38%	64%		80%

1 Due to limitations in the supply of green electricity certificates in Romania, a sufficient amount of green electricity certificates could not be purchased in 2024. This has led to a decrease in the green electricity usage rate at our Romania facilities, where we have been using 100% green electricity since 2015. Our company remains committed to increasing green electricity usage and expanding renewable energy investments.
2 In 2024, the primary reason for the decline in our energy reduction rate was the disruption of the production-consumption balance during the relocation of our Çayırova Washing Machine Plant to the Manisa Facility, which led to deviations in certain KPIs. Additionally, a decrease in annual production volumes in some of our facilities compared to the previous year also had a negative impact on our energy reduction targets.
3 In 2023, the reporting scope covered all manufacturing plants by adding IHP Russia plants and JVs. Due to this, the progression of the target was affected.
[4] Water recycling and reuse ratio = (Total recycled + reused water)/Total water withdrawal
[5] This recycled rate equals to the diversion rate from landfill. Recovered waste includes waste to recovery and waste to waste incineration with energy recovery.
6 MDAs produced at manufacturing facilities excluding JVs and IHP Russia Plants.
Our doubling energy productivity target with base year 2010 was achieved in 2023.
Target year dates signify “by the end of” the year determined.

IN PROGRESS
ACHIEVED ULTIMATE TARGET

5. Metrics and Targets

5.6 Sector-Specific Metrics

From the Public Oversight Authority (KGK)'s Guidance on Sector-Based Implementation of TSRS 2, Volume 2 – Appliance Manufacturing has been selected as the reference guide. Volumes 44 – Solar Technology and Project Developers and 49 – Electrical and Electronic Equipment have not been considered, as they are not included in the scope of the Company's operations. SASB Standards provide detailed industry-specific metrics and disclosure topics that guide our approach to identifying and reporting financially material sustainability information. Accordingly, the sustainability disclosure topics and metrics we apply are aligned with the requirements specified in the relevant SASB industry volumes.

5.6.1 TSRS Volume 2 – Appliance Manufacturing

Sustainability Disclosure Topics & Metrics			
Topic	**Accounting Metric**	**Code**	**2024**
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to an energy efficiency certification[1]	CG-AM-410a.1	68.8%
	Percentage of eligible products by revenue certified to an environmental product lifecycle standard	CG-AM-410a.2	0%

[1]*Eligible products certified to an energy efficiency certification: It refers to products that meet the energy efficiency requirements set by recognized certification programs, as outlined below. Eligible products include: Dishwasher, Front Load Washing Machine, Refrigerator (Cooling), Refrigerator (Freezer), Tumble Dryer, Washer Dryer, Television, Oven, Hood, Air Conditioner, Heater, and Heat Pump. For heaters and heat pumps, EU regulations have been taken into account regardless of the country in which they are sold. For other product categories, the applicable jurisdictional or international certification programs recognized in each country are listed below.*

5. Metrics and Targets

Sustainability Disclosure Topics & Metrics			
Topic	**Accounting Metric**	**Code**	**2024**
Product Lifecycle Environmental Impacts	Description of efforts to manage products' end-of-life impacts	CG-AM-410a.3	**End of Life Responsibility** We have two Waste Electrical and Electronic Equipment (WEEE) Recycling Plants in Türkiye. As part of the Extended Producer Responsibility (EPR), we established our take-back program in Türkiye for proper management of the products' end-of-life stage. In the scope of this program, we collect the old products from the market regardless of brand and replace them with new appliances through our extensive network of authorized dealers and services. The collected refrigerators are recycled at the plant in Eskişehir, while other white goods and SDAs are recycled at the plant in Bolu. Our plant in Eskişehir is the first e-waste recycling plant in Türkiye where chlorofluorocarbon (CFC) gases and ozone-depleting compounds used in old refrigerators are collected in a closed system. Materials such as plastic, iron, copper and aluminum obtained from recycled WEEE are sent to licensed recycling facilities to be gained back into the economy in accordance with the resource efficiency policy. Thanks to our take-back program, while contributing to the circular economy, we also contribute to increasing awareness among consumers about recycling e-waste. In this way, we replaced the old, high energy and water-consuming products with energy and water efficient products. We comply with Basel Convention and perform responsible management of WEEE in each country. In countries outside Türkiye where WEEE is managed by regulation, we work with producer responsibility organizations (PROs) or compliance schemes to comply with local WEEE regulations. **Repairability** We design our products with clear instructions, and accessible spare parts to make repairs easy and extend product lifecycles. By partnering with repair services and encouraging self-repair, the Company promotes reducing waste and supports its circular economy goals. With the provisions following the Circular Economy Action plan, the assessment and representation of the repairability of products will be mandatory in the EU. We contributed to the work on the tumble dryers, which will be one of the first products to be implemented a repairability score in Europe. Right to Repair Directive establishes regulatory requirements for manufacturers to ensure the accessibility of spare parts, provide repair information, and design products to be easily repairable, with the aim of promoting sustainability. **Recyclability** We design recyclable products to reduce environmental impact. We also continue to focus on improving the recyclability and disassembly of our products.

5. Metrics and Targets

Activity Metrics	Code	2024
Annual Production (units) [2]	CG-AM-000.A	White Goods: 32,494,752 Consumer Electronics: 1,183,811 Other: 1,546,239

[2] White goods reportable segment comprises washing machines, dryers, dishwashers, refrigerators, ovens, cooking appliances and the services provided for these products. The consumer goods reportable segment comprises televisions primarily with flat screens, computers, cash registers, other electronic devices and the services provided to consumers for these products. Other segment comprises the revenues from air conditioners, small domestic appliances except products included in white goods and consumer electronics.

Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products
Australian Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Tumble Dryer	Malaysia Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Air conditioner	Indonesia, Maldives, Philippines Labels	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner
Russian, Uzbekistan, Turkmenistan, Tajikistan, Kazakhstan Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	Thailand Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	Mauritius Label	Refrigerator (Cooling)
EU Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner	Israel Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Oman Label	Refrigerator (Cooling)

5. Metrics and Targets

Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products
USA Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer	Egypt Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Taiwan Label	Front load Washing Machine Refrigerator (Cooling)
China Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Iraq Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	India Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner
Hong Kong Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Washer Dryer	UAE Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Ukraine (Old EU Label and Current EU Label)	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner
Vietnam Label	Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	South Africa Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer	Palestine Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)
Singapore Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Saudi Arabia Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Other Countries: Since energy labels are not available for other countries, only products sold with the EU Label, Old EU Label, and Energy Star program have been taken into consideration.	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner

5. Metrics and Targets

5.7 Sustainable Financing

We prioritize the integration of economic, social, and environmental aspects of sustainability into our governance framework, ensuring accountability to all stakeholders. Our customer-centric approach enables us to expand our sales reach, thereby bolstering revenues. Through strategic investments and growth-oriented initiatives, we deliver economic advantages to our business partners and investors, concurrently fostering the creation of sustainable value from these economic gains.

5.7.1 Environmental Investments and Expenditures

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

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

The data represents the cash flow figures for all years.
**This data is expressed in nominal values without the application of IAS 29 Financial Reporting in Hyperinflationary Economies.*
***Inflation accounting has been applied to this data according to IAS 29 Financial Reporting in Hyperinflationary Economies for 2023 and 2024 financial years. The financial data for the year 2023 has been evaluated based on the inflation rates applicable to the 2023 fiscal year. The 2024 financial data has been assessed using the inflation rates relevant to the 2024 fiscal year. When comparing figures across years, it should be noted that inflation impacts have been considered based on each year's respective period.*
****The data has increased significantly compared to 2022. The main reason for this is that there are green building investments in 2023.*
1 Investment and expenditures for environmental resource efficiency in production and product mainly includes environmental measurement and analysis cost, waste disposal and transportation cost, wastewater treatment plant expenses, the cost of employees working for the environment and energy, certification and authorization cost, consulting and training cost, maintenance and repair costs, renewable energy, energy efficiency (incl. production lines), green buildings and product related environmental resource efficiency in production. Data coverage is global.
2 Research and Development investments and expenditures for environmental resource efficiency in product includes decreased energy consumption, decreased water consumption, decreased waste generation, GHG emissions' reduction, pollution reduction, decreased raw material consumption, increase usage of recycled materials or increased product durability/longevity in product. Data coverage is global.

5. Metrics and Targets

5.7.2 Sustainable Finance Instruments

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

5.7.2.1 Green Bond

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

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

5.7.2.2 Green Loan

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

5.7.2.3 Sustainable and Green Deposits

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

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

5.7.2.4 Sustainability Linked Financing Framework

The Company's Sustainability-Linked Financing Framework launched in April 2024 is based on its sustainability agenda and goals. The framework includes the Company's 2030 goals for GHG emissions reductions for scope 1&2 and scope 3 from use of sold products and increase the percentage of women in the total workforce. It has been also developed in line with the Sustainability-Linked Bond Principles (SLBP) issued by the International Capital Market Association (ICMA) in June 2023 and the Sustainability- Linked Loan Principles (SLLP) issued by the Loan Market Association (LMA) in February 2023.

↗ For further information, please refer to our Sustainability-Linked Financing Framework and Second Party Opinion Report.

6. Events after the Reporting Period

6. Events After the Reporting Period Statement (as of 31.12.2024)

6. Events after the Reporting Period

6. Events After the Reporting Period Statement (as of 31.12.2024)

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorizationof issue of this document have taken place that need to be disclosed in this report.

Annex

Annex 1. GHG Emissions Related Reporting Principles
Annex 2. Limited Assurance Report under TSRS

Annex 1. GHG Emissions Related Reporting Principles

Key Definitions

For the purpose of this report, the Company defines:

GHG Emissions (tCO_2e)	
Total Direct GHG Emissions (Scope 1)	Scope 1 emissions are generated from stationary combustion, mobile combustion, fugitive emissions from air conditioners during lifetime and during charge to the products, fire extinguishers, and other chemicals cause GHG emissions, biological wastewater treatment plants in production areas. IPCC Guidelines for National Greenhouse Gas Inventories 2006 (and 2019 amendment), IPCC Sixth Assessment Report (IPCC AR6) and DEFRA 2024 have been used as source for emission factors and methodology for emission calculations. Annual consumptions of Scope 1 sources inventory are used as activity data.
Location-based Scope 2 emissions	The sources of Scope 2 location-based emissions are based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries (*Definitions from GHG Protocol Scope 2 Guidance*).
Market-based Scope 2 emissions	Scope 2 market-based emissions are based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own (*Definitions from GHG Protocol Scope 2 Guidance*).
Total Indirect GHG Emissions (Scope 2)	Total Scope 2 GHG emissions are sum of location and market based GHG emissions.
Scope 3, Category1: Purchased Goods and Services	The sources of indirect GHG emissions from purchased goods and services are raw materials, materials, and packaging materials used in Company's sold products. GHG emissions caused by used materials such as plastics, metals, dyes, chemicals, and other materials used in the products are calculated by using the weight of each material, product selling numbers, and emission factors of used materials. Material data (material types and weights) are collected from products' BoM lists. Emissions factors are mainly taken from Ecoinvent Database and DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government.
Scope 3, Category2: Capital Goods	The sources of indirect GHG emissions from capital goods are Company's buildings, machinery, equipment, moulds, motor vehicles, and land improvements. The GHG emissions are calculated by using Company's global spend-based data.
Scope 3, Category3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	The sources of indirect GHG emissions from fuel-and-energy-related activities (not included in Scope 1 or 2) are well-to-tank GHG emissions of fuel consumption reported in Scope 1 and distribution GHG emissions of electricity consumption reported in Scope 2. This category's emissions have been calculated using the GHG Emission Calculator Tool by the UNFCCC Secretariat.
Scope 3, Category4: Upstream Transportation and Distribution	The sources of greenhouse gas emissions from upstream transportation and distribution are road, air, railways, and water-borne navigation activities during the transportation of raw materials and components from suppliers to the production plants. The calculation methodology is used based on “EPA Center for Corporate Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories”.
Scope 3, Category5: Waste Generated in Operations	The sources of third-party disposal and treatment of waste generated in the reporting Company’s owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater (*Definitions from GHG Protocol Scope 3 Guidance*). Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government.
Scope 3, Category6: Business Travel	The sources of indirect GHG emissions from business travel include GHG emissions from the transportation of employees for business related activities such as international and domestic travel by road, railway, and airways.
Scope 3, Category7: Employee Commuting	The sources of business travel emissions includes emitted emissions from the transportation of employees between their homes and their worksites. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government.
Scope 3, Category8: Upstream Leased Assets	These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products.

Annex 1. GHG Emissions Related Reporting Principles

GHG Emissions (tCO_2e)	
Scope 3, Category9: Downstream Transportation and Distribution	The sources of this category includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting Company (*Definitions from GHG Protocol Scope 3 Guidance*). The calculation methodology is from "EPA Center for Corporate 250 Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories".
Scope 3, Category10: Processing of Sold Products	Not Applicable (NA)
Scope 3, Category11: Use of Sold Products	The sources of this category includes emissions from the use of sold products in the reporting year for 10 years lifetime. The products which are taken into Company's GHG inventory are cooling appliances, dishwasher, dryer, frontload washing machine, top load washing machine , twintub washing machine, singletub washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, small domestic appliances (such as Turkish coffee machine, hair dryer, toast machine, iron, tea machine, kettle etc.), water dispenser, and water heater product groups produced in Company's own production plants and joint ventures. In addition to its own production, GHG emissions from the use of outsourced products which are supplied from different countries and sold to different countries are also included in this category. GHG emissions generated from electricity and gas consumption of the products, and GHG emissions generated from refrigerant leakage from the product for 10 years lifetime are calculated. The energy consumption of the products is taken from energy labels. The gas capacity of refrigerators, freezers, air conditioners, and tumble dryers is used to calculate GHG emissions from refrigerant leakage. Country-specific electricity emission factors from the International Energy Agency (IEA) for 90% of countries where most of the products were sold are chosen according to the customers' countries of the sold products. For the rest, the average world electricity emission factor is used.
Scope 3, Category12: End-of-Life Treatment of Sold Products	GHG emissions in this category are generated by the recycling and/or disposal process of waste electrical and electronics equipment (WEEE) when 10 years lifetime period of the sold products is ended. The products which are taken into Company's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispenser, small domestic appliances, and solar panel product groups produced in Company's own production plants and joint ventures. The weights of the products are collected from product BoM lists, R&D, and other related departments. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government.
Scope 3, Category13: Downstream Leased Assets	These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products. This category includes emissions from the operation of assets that are owned by the reporting Company (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2 (*Definitions from GHG Protocol Scope 3 Guidance*).
Scope 3, Category14: Franchises	Not Applicable (NA)
Scope 3, Category15: Investments	Not Applicable (NA)
Total Indirect Scope 3 GHG Emissions (tCO_2e)	Total Scope 3 GHG emissions are the sum of all emissions calculated across the Scope 3 categories.
Total Scope 1&2&3 GHG Emissions	This indicator represents the total greenhouse gas emissions (tCO_2e) generated under Scope 1 (direct emissions), Scope 2 (indirect energy-related emissions), and Scope 3 (other indirect emissions including value chain activities). The total value reflects the Company's overall carbon footprint and is calculated in accordance with GHG Protocol.

Annex 1. GHG Emissions Related Reporting Principles

Environmental Performance Indicators

Scope 1 Greenhouse Gas Emissions

Scope 1 GHG emissions; It refers to the sum of stationary combustion, process-sourced, flaresourced, mobile combustion, chemical-induced emissions and equipment loss and leakage emissions. Total Scope 1 GHG emissions are calculated by the sum of all scope 1 emissions sub-breakdowns. In the calculation, the following formula is used;

Total Scope 1 Greenhouse Gas Emissions (tCO_2e) = Stationary Combustion Emissions (tCO_2e) + Mobile Combustion Emissions (tCO_2e) + Fugitive Emissions (tCO_2e)

Stationary Combustion Emissions: It refers the amount of natural gas, fuel oil, diesel, biodiesel, bioethanol, CNG and LPG used by Arçelik and its subsidiaries in the combustion reaction to obtain energy. Constant combustion emissions; It is calculated in terms of CO_2, CH_4, N_2O and CO_2e. These calculations are carried out using the following formulations;

Emission Amount (tCO_2) =Activity Data × Emission Factor (CO_2) × GWP (CO_2)
Emission Amount (tCH_4 in CO_2e) =Activity Data × Emission Factor (CH4) × GWP (CH4)
Emission Amount (tN_2O in CO_2e) = Activity Data × Emission Factor (N_2O) × GWP (N_2O)
Emission Amount (tCO_2e) = Emission Amount (tCO_2) + Emission Amount (tCH_4 in CO_2e) + Emission Amount (tN_2O in CO_2e)

The activity data here must be compatible with the emission factor units. If compliance is not achieved, the unit of fuel is converted to the targeted emission factor unit by using the relevant calorific value. This calculation is made using the following formula.

Activity Data (TJ) = Activity Data (tonnes) x Net Calorific Value (TJ/tonnes)

Mobile Combustion Emissions: Moving combustion emissions represent the emissions of all on-road and off-road Company vehicles, locomotives and maritime transport vehicles of Arçelik and its subsidiaries from diesel, gasoline, LPG and ship fuel consumption. These emissions are calculated in terms of CO_2, CH4, N_2O and CO_2e. These calculations are carried out according to the following formulations;

Emission Amount (tCO_2)= Activity Data × Emission Factor (CO_2)× Global Warming Potential (CO_2)
Emission Amount (tCH_4 in CO_2e)= Activity Data × Emission Factor^ (CH_4)× Global Warming Potential (CH_4)
Emission Amount (tN_2O in CO_2e)= Activity Data × Emission Factor (N_2O)× Global Warming Potential(N_2O)
Total Emission Amount (tCO_2e) = Emission Amount (tCO_2) + Emission Amount (tCH_4 in CO_2e) + Emission Amount (tN_2O in CO_2e)

Equipment Loss and Leakage (Fugitive) Emissions: Loss and leakage emissions represent emissions caused by leaks in Arçelik's refrigeration and fire suppression equipment. These emissions are calculated using methodologies aligned with industry standards for assessing fugitive emissions in the appliance manufacturing sector. The calculations take into account the specific characteristics and operational parameters of the equipment to ensure accurate estimation of emissions.

Fugitive Emissions (tCO_2e) = Activity Data (kg) x Global Warming Potential (tCO_2e / kg)

WWTP Emissions: Wastewater Treatment Plant emissions refer to the greenhouse gas emissions generated during the treatment of wastewater by Arçelik and its subsidiaries. These emissions primarily arise from biological processes, chemical reactions, and energy consumption associated with the treatment of wastewater. The main components of WWTP emissions include methane (CH_4), nitrous oxide (N_2O), and carbon dioxide (CO_2). These calculations are carried out according to the following formulations;

WWTP Emissions (tCO_2e) = Chemical Oxygen Demand (mg/L) x Activity Data (Wastewater) (L) x Emission Factor (tCO_2e /mg)

Annex 1. GHG Emissions Related Reporting Principles

Environmental Performance Indicators

Scope 1 Greenhouse Gas Emissions

Emission Factors:
Emission factors for diesel, fuel oil, natural gas, LPG, Gasoline, LNG, CNG, Biodiesel, Bioethanol, are sourced from the Intergovernmental Panel on Climate Change (IPCC) guidelines. For fugitive emissions, all available factors are also derived from IPCC, while for those not available, the Department for Environment, Food & Rural Affairs (DEFRA) guidelines are used.

Emission Source	CO_2 (ton/ Unit)	CH_4 (ton/ Unit)	N_2O (ton/ Unit)	CO_2e	REFERENCE
SC - Diesel	74.1	0.003	0.0006		IPCC 2006, Energy- SC- Table 2.3.
SC - Fuel Oil	77.4	0.003	0.0006		IPCC 2006, Energy- SC- Table 2.3.
SC - Natural Gas	56.1	0.001	0.0001		IPCC 2006, Energy- SC- Table 2.3.
SC - LPG	63.1	0.001	0.0001		IPCC 2006, Energy- SC- Table 2.3.
SC - Motor Gasoline	69.3	0.003	0.0006		IPCC 2006, Energy- SC- Table 2.3.
MC-Diesel	74.10	0.0039	0.0039		IPCC 2006, Energy- MC- Table 3.2.1, Table 3.2.2
MC-Gasoline/Petrol	69.3	0.025	0.008		IPCC 2006, Energy- MC-Table 3.2.1, Table 3.2.2 (Gasoline)
MC-LPG	63.10	0.062	0.0002		IPCC 2006,Energy- MC-Table 3.2.1, Table 3.2.2
MC-LNG	56.1	0.092	0.003		IPCC 2006, Energy- MC- Table 3.2.1 (LNG), Table 3.2.2 (NG)
MC-CNG	56.1	0.092	0.003		IPCC 2006, Energy- MC-Table 3.2.1 (CNG), Table 3.2.2 (NG)
MC-Biodiesel	70.80	0.0030	0.0006		IPCC 2006, Energy- SC- Table 2.3.
MC-Bioethanol	70.80	0.0030	0.0006		IPCC 2006, Energy- SC- Table 2.3.
MC-Diesel (comes from Biodiesel content)	74.10	0.0039	0.0039		IPCC 2006, Table 3.2.1, Table 3.2.2
MC-Gasoline/Petrol (comes from Bioethanol content)	69.3	0.025	0.008		IPCC 2006, Table 3.2.1, Table 3.2.2
MC-Lawn movers Diesel	74.10	0.0039	0.0039		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Gas/Diesel Oil)
MC-Lawn movers Gasoline/Petrol	69.30	0.0330	0.0032		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Motor Gasoline-Uncontrolled)

SC: Stationary combustion, MC: Mobile combustion

Annex 1. GHG Emissions Related Reporting Principles

Emission Source	CO_2 (ton/ Unit)	CH_4 (ton/ Unit)	N_2O (ton/ Unit)	CO_2e	REFERENCE
MC-Bobcat Gasoline/Petrol	74.10	0.0039	0.0039		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Gas/Diesel Oil)
MC-Bobcat Diesel	69.30	0.0330	0.0032		IPCC 2006, Energy- MC-Table 3.2.1 (Gas/Diesel Oil), Table 3.2.2 (Motor Gasoline-Uncontrolled)
OD - Acetylene (kg)				3.38	Stoichiometric Calculation
OD - Propane (kg)				2.99763233	Fuels, Gaseous Fuels, Propane, DEFRA 2024
OD - CO_2 (Argoshield) (kg)				1	
OD - CO_2-fire extinguisher (kg)				1	
OD - R134a (kg)				1530	IPCC Climate Change 2014 Synthesis Report (Fifth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R407a (kg)				3180.6	Mixed gas. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R406a (kg)				2021.12	Mixed gas. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R407c (kg)				1907.93	Mixed gas. Composite Emission factors are calculated according to 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 3: Industrial Processes and Product Use Chapter 7: Emissions of Fluorinated Substitutes for Ozone Depleting Substances, Table 7.8 Blends (Many containing HFC and PFCs) IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - Butane (kg)				3.03338	Fuels, Gaseous Fuels,Butane, DEFRA 2024
OD - R404a (kg)				4728	Mixed gas. Composite Emission factors are calculated according to 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 3: Industrial Processes and Product Use Chapter 7: Emissions of Fluorinated Substitutes for Ozone Depleting Substances, Table 7.8 Blends (Many containing HFC and PFCs) IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R410a (kg)				2255.5	Mixed gas.Composite Emission factors are calculated according to 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 3: Industrial Processes and Product Use Chapter 7: Emissions of Fluorinated Substitutes for Ozone Depleting Substances, Table 7.8 Blends (Many containing HFC and PFCs) IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R227ea (kg)				3600	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R290 (kg)				3	Refrigerant&other, Other Products, R290 = propane, DEFRA 2024

MC: Mobile combustion, OD: Other direct

Annex 1. GHG Emissions Related Reporting Principles

Emission Source	CO_2 (ton/ Unit)	CH_4 (ton/ Unit)	N_2O (ton/ Unit)	CO_2e	REFERENCE
OD - R22/HCFC22 (kg)				1960	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R32/HFC32 (kg)				771	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R600 (kg)				4	Refrigerant&other, Kyoto protocol products, R600 = butane, DEFRA 2024
OD - R600a (kg)				3	Refrigerant&other, Other Products, R600A = isobutane, DEFRA 2024
OD - SF6 (kg)				24300	IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R417a (kg)				2507.9522	Mixed gas. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Climate Change 2014 Synthesis Report (Sixth Assessment Report-AR6) Chapter 8 - Anthropogenic and Natural Radiative Forcing
OD - R450a (kg)				570	Annex 4, Table 1, r450a, GENERIC ENVIRONMENTAL MANAGEMENT PLAN (For Refrigeration Manufacturing Sector) MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT - Vietnam
OD - Industrial Oil (kg)	2.94666	0.0001206	0.00002412	2.94680472	Industrial Oil (Lubricants): IPCC Guidelines for National Greenhouse Gas Inventories Chapter 2: Stationary Combustion- Volume 2: Energy Intergovernmental Panel on Climate Change 2006, Table 2.3. Default Emission Factors for Stationary Combustion in Manufacturing Industries and Construction Industrial Oil

OD: Other direct

Annex 1. GHG Emissions Related Reporting Principles

Environmental Performance Indicators

Scope 1 Greenhouse Gas Emissions

Net Calorific Value: Net calorific values are obtained from DEFRA 2024 document, ensuring that the values used for calculations are consistent with internationally recognized standards.

	TJ/Unit	GJ Coefficient (GJ/Unit)
Electricity	kWh	0.0036000
SC - Diesel	kg	0.0430280
SC - Fuel Oil	kg	0.0407520
SC - Natural Gas	Sm^3	0.0363191
SC - LPG	kg	0.0459440
SC - Motor Gasoline	kg	0.0445990
MC-Diesel	kg	0.0430280
MC-Gasoline/Petrol	kg	0.0445990
MC-LPG	kg	0.0459440
MC-LNG	kg	0.0456270
MC-Biodiesel	kg	0.0372000
MC-Bioethanol	kg	0.0268000
MC-Diesel (comes from Biodiesel content)	kg	0.0430280
MC-Gasoline/Petrol (comes from Bioethanol content)	kg	0.0445990
MC-Lawn movers Diesel	kg	0.0430280
MC-Lawn movers Gasoline/Petrol	kg	0.0445990
MC-Bobcat Gasoline/Petrol	kg	0.0445990
MC-Bobcat Diesel	kg	0.0430280

SC: Stationary combustion, MC: Mobile combustion

1 TJ = 1000 GJ

Annex 1. GHG Emissions Related Reporting Principles

Environmental Performance Indicators

Scope 2 Greenhouse Gas Emissions

Scope 2 greenhouse gas emissions include all greenhouse gases arising from the consumption of electricity, steam, heat and cooling by Arçelik and its subsidiaries. The calculations are calculated as tonnes of CO_2 conjugates. In these calculations, the following formulation is used.

Emission Amount (tCO_2e) = Activity Data x Emission Factor

Scope 1 and Scope 2 Greenhouse Gas Emissions

The Scope 1 and Scope 2 Greenhouse Gas Emissions value refers to the sum of the emission values verified in the indicators "Scope 1 Greenhouse Gas Emissions (tCO_2e)" and "Scope 2 Greenhouse Gas Emissions (tCO_2e)" and is calculated using the following formula.

Scope 1 and 2 Greenhouse Gas Emissions (tCO_2e) = Scope 1 Greenhouse Gas Emissions (tCO_2e) + Scope 2 Greenhouse Gas Emissions (tCO_2e)

Emission factors for electricity are sourced from the International Energy Agency data sets. For heat and steam emissions, factors are derived from DEFRA 2024 guidelines.

Emission Source	CO_2 (ton/Unit)	CH4 (ton/Unit)	N_2O (ton/Unit)	CO_2e	REFERENCES
Türkiye Electricity Amount (kWh)	0.4209	0.0002	0.0016	0.4227	IEA, 2024
Romania Electricity Amount (kWh)	0.276	0.0001	0.0009	0.277	IEA, 2024
Russia Electricity Amount (kWh)	0.3495	0.0002	0.0007	0.3504	IEA, 2024
South Africa Electricity Amount (kWh)	0.9871	0.0003	0.0043	0.9917	IEA, 2024
Thailand Electricity Amount (kWh)	0.4812	0.002	0.0034	0.4866	IEA, 2024
Pakistan Electricity Amount (kWh)	0.3942	0.0003	0.0012	0.3957	IEA, 2024
China Electricity Amount (kWh)	0.5887	0.0004	0.0027	0.5918	IEA, 2024
Bangladesh Electricity Amount (kWh)	0.5901	0.0004	0.0008	0.5913	IEA, 2024
India Electricity Amount (kWh)	0.7316	0.0003	0.0032	0.7351	IEA, 2024
Slovakia Electricity Amount (kWh)	0.1218	0.0001	0.0004	0.1223	IEA, 2024
Poland Electricity Amount (kWh)	0.6304	0.0003	0.0026	0.6333	IEA, 2024
UK Electricity Amount (kWh)	0.1948	0.0008	0.0011	0.1967	IEA, 2024
Italy Electricity Amount (kWh)	0.3116	0.0004	0.0008	0.3128	IEA, 2024
Egypt Electricity Amount (kWh)	0.4041	0.0002	0.0003	0.4046	IEA, 2024
Heat Amount (kWh)	0.17791	0.00122	0.00052	0.17965	Heat and Steam, Onsite&District, DEFRA 2024
Steam Amount (kWh)	0.17791	0.00122	0.00052	0.17965	Heat and Steam, Onsite&District, DEFRA 2024
Renewable Electricity Production at Site, Solar (kWh)	0	0	0	0	Renewable, Emission Factor equals to 0

Annex 1. GHG Emissions Related Reporting Principles

Environmental Performance Indicators

Total Direct GHG Emissions (Scope 1)

Scope 1 emissions are generated from stationary combustion, mobile combustion, fugitive emissions from air conditioners during lifetime and during charge to the products, fire extinguishers, and other chemicals cause GHG emissions, biological wastewater treatment plants in production areas. IPCC Guidelines for National Greenhouse Gas Inventories 2006 (and 2019 amendment), IPCC Sixth Assessment Report (IPCC AR6) and DEFRA 2024 have been used as source for emission factors and methodology for emission calculations. Annual consumptions of Scope 1 sources inventory are used as activity data. The Scope 1 emission calculations have been done by multiplying activity data and emission factors. This metric is calculated using the following formula:

Scope 1 Emissions Generated by Stationary and Mobile Combustion = Annual Fuel Consumption (unit) x Conversion Factor (TJ/unit) x Emission Factor (tCO_2e/TJ) (CO_2, CH_4, N_2O)

Fugitive Emissions = Cooling Agents Gas Capacity (tonnes) x IPCC Leakage Ratio (%) x Emission Factor (tCO_2e/tonnes cooling agents)

Scope 1 Emissions Generated by Biological WWTP = Total COD amount (tonnes) x Emission Factor ($tCH_4/tCOD$) x CH_4 coefficient (tCO_2e/tCH_4)

Location based Scope 2 emissions

The sources of scope 2 location-based emissions are based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries (Definitions from GHG Protocol Scope 2 Guidance). This metric is calculated using the following formula:

Scope 2 Location based Emissions (tCO_2e) = Annual Purchased Electricity Consumption (MWh) x Electricity emission factor (tCO_2e/MWh)

Market based Scope 2 emissions

Scope 2 market- based emissions are based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own (Definitions from GHG Protocol Scope 2 Guidance). This metric is calculated using the following formula:

Scope 2 Market based Emissions = Location based Scope 2 emissions (tCO_2e) - GHG Emissions from renewable energy sources (tCO_2e)

Total Indirect GHG Emissions (Scope 2)

Total Scope 2 GHG emissions are sum of location and market based GHG emissions. This metric is calculated using the following formula:

Total location-based Scope 2 emissions (tCO_2e) + Total market-based Scope 2 emissions (t CO_2e)

Annex 1. GHG Emissions Related Reporting Principles

Environmental Performance Indicators

Scope 3 GHG Emissions

Category1: Purchased Goods and Services

The sources of indirect GHG emissions from purchased goods and services are raw materials, materials, and packaging materials used in Company's sold products. GHG emissions caused by used materials such as plastics, metals, dyes, chemicals, and other materials used in the products are calculated by using the weight of each material, product selling numbers, and emission factors of used materials. Material data (material types and weights) are collected from products' BoM lists. Emissions factors are mainly taken from Ecoinvent Database and DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government. This metric is calculated using the following formula:

"Material weight (tonnes) x Product selling number x Emission factor (tCO_2e/tonnes)

Category2: Capital Goods

The sources of indirect GHG emissions from capital goods are Company's buildings, machinery, equipment, moulds, motor vehicles, and land improvements. The GHG emissions are calculated by using Company's global spend-based data. This metric is calculated using the following formulas:

Σ (Buildings (EUR) x Emission Factor (tCO_2e/EUR)
+ Machinery (EUR) x Emission Factor (tCO_2e/EUR)
+ Machinery Equipment and Molds (EUR) x Emission Factor (tCO_2e/EUR)
+ Motor vehicles (EUR) x Emission Factor (tCO_2e/EUR))
+Land improvements (EUR) x Emission Factor (tCO_2e/EUR)

Category3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2

The sources of indirect GHG emissions from fuel-and-energy-related activities (not included in Scope 1 or 2) are well-to-tank GHG emissions of fuel consumption reported in Scope 1 and distribution GHG emissions of electricity consumption reported in Scope 2. This category's emissions have been calculated using the GHG Emission Calculator Tool by the UNFCCC Secretariat. This metric is calculated using the following formula:

Σ (fuel consumed (kWh) × upstream fuel emission factor (tCO_2e/kWh)) +Σ (electricity consumed (kWh) × upstream electricity emission factor (tCO_2e/kWh))

Category4: Upstream Transportation and Distribution

The sources of GHG emissions from upstream transportation and distribution are road, air, railways, and water-borne navigation activities during the transportation of raw materials and components from suppliers to the production plants. The calculation methodology is used based on “EPA Center for Corporate Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories”. This metric is calculated using the following formula:

Road = Total distance travelled (mile) x Emission Factors (tCO_2/vehicle-mile)
Seaway&Railway &Airway= Distance (mile) x mass of goods transported (tonnes) x Emission Factors (tCO_2/tonnes.mile)

Category5: Waste Generated in Operations

The sources of third-party disposal and treatment of waste generated in the reporting Company’s owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater (Definitions from GHG Protocol Scope 3 Guidance). Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by UK Government. This metric is calculated using the following formula:

Waste amount (tonnes) x Emission Factors according to waste treatment method (tCO_2/tonnes)

Category6: Business Travel

business travel include GHG emissions from the transportation of employees for business related activities such as international and domestic travel by road, railway, and airways. This metric is calculated using the following formula:

Σ (distance travelled by vehicle type (vehicle-km or passenger-km) × vehicle specific emission factor (tCO_2e/vehicle-km or tCO_2e/passenger-km))

Category7: Employee Commuting

The sources of business travel emissions includes emitted emissions from the transportation of employees between their homes and their worksites. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government. This metric is calculated using the following formula:

Emissions from employee commuting = Σ (total number of employees using mode of transport x one way commuting distance (vehicle-km or passenger-km) × 2 × working days per year× emission factor of transport mode (tCO_2e/vehicle-km or tCO_2e/passenger-km))

Category8: Upstream Leased Assets

These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products. This metric is calculated using the following formula:

Σ (Warehouse area (m^2) x emission factor (tCO_2e/m^2))

Annex 1. GHG Emissions Related Reporting Principles

Environmental Performance Indicators

Category9: Downstream Transportation and Distribution

The sources of this category includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting Company (Definitions from GHG Protocol Scope 3 Guidance).
The calculation methodology is from “EPA Center for Corporate 250 Climate Leadership: GHG Emission Factors for Greenhouse Gas Inventories”. This metric is calculated using the following formula:

Road = Total distance travelled (mile) x Emission Factors (tonnes CO_2/vehicle-mile)
Seaway&Railway &Airway= Distance (mile) x mass of goods transported (tonnes) x Emission Factors (tCO_2/tonnes.mile)

Category11: Use of Sold Products

The source of this category includes emissions from the use of sold products in the reporting year for 10 years lifetime. The products which are taken into company's GHG inventory are cooling appliances, dishwasher, dryer, frontload washing machine, top load washing machine washing machine, twin-tub washing machine, single-tub washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, small domestic appliances (such as Turkish coffee machine, hair dryer, toast machine, iron, tea machine, kettle etc.), water dispenser, and water heater product groups produced in company's own production plants and joint ventures. In addition to its own production, GHG emissions from the use of outsourced products which are supplied from different countries and sold to different countries are also included in this category. GHG emissions generated from electricity and gas consumption of the products, and GHG emissions generated from refrigerant leakage from the product for 10 years lifetime are calculated. The energy consumption of the products is taken from energy labels. The gas capacity of refrigerators, freezers, air conditioners, and tumble dryers is used to calculate GHG emissions from refrigerant leakage. Country-specific electricity emission factors from the International Energy Agency (IEA) for 90% of countries where most of the products were sold are chosen according to the customers' countries of the sold products. For the rest, the average world electricity emission factor is used. This metric is calculated using the following formula:

Σ (total lifetime expected uses of product × number sold in reporting period × electricity consumption (kWh) × emission factor for electricity (tCO_2e/kWh))+
Σ (number sold in reporting period ×refrigerant amount (kg) × emission factor for refrigerant type (tCO_2e/kg refrigerant))

Category12: End-of-Life Treatment of Sold Products

GHG emissions in this category are generated by the recycling and/or disposal process of waste electrical and electronics equipment (WEEE) when 10 years lifetime period of the sold products is ended. GHG emissions are calculated by multiplying product weights (as WEEE) and WEEE recycling emission factors. The products which are taken into Company's GHG inventory are cooling appliances, dishwasher, dryer, washing machine, hob, hood, microwave, oven, television, vacuum cleaner, washer dryer, air conditioner, water dispenser, small domestic appliances, and solar panel product groups produced in Company's own production plants and joint ventures. The weights of the products are collected from product BoM lists, R&D, and other related departments. Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2024 published by the UK Government. This metric is calculated using the following formula:

Σ (total mass of sold products at end of life after consumer use (tonnes)× % of total waste being treated by waste treatment method× emission factor of waste treatment method (tCO_2e/tonnes))

Category13: Downstream Leased Assets

These GHG emissions are generated in warehouses. The Company uses the same warehouses for both materials from suppliers and finished products.

This category includes emissions from the operation of assets that are owned by the reporting Company (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2 (Definitions from GHG Protocol Scope 3 Guidance).
This metric is calculated using the following formula:

Energy need of warehouses (kWh) x Emission factor (tCO_2e/kWh)

Annex 2. Limited Assurance Report under TSRS

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Convenience Translation of Auditor's Limited Assurance Report Originally Issued in Turkish

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF ARÇELİK A.Ş. AND ITS SUBSIDIARIES

To the General Assembly of Arçelik A.Ş.,

We have been assigned to perform limited assurance engagement on the information ("Sustainability Information") presented in accordance with the Turkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures" of Arçelik A.Ş. and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024.

Our assurance engagement does not include the information related to prior periods and other information associated with Sustainability Information (including any images, audio files, website links or embedded videos).

Limited Assurance Conclusion Based on the procedures performed and the evidence obtained, as summarized under the section "Summary of the Work we Performed as the Basis for our Assurance Conclusion", nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ending December 31, 2024, has not been prepared in accordance with the Turkiye Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority of Turkiye ("POA") in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to prior periods and any other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

Inherent Limitations in the Preparation of Sustainability Information

The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.

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Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of Turkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those Charged with Governance is responsible for overseeing the Group's sustainability reporting process

Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information

We are responsible for the following:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Group Management.

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in orderto ensure that our independence is not compromised.

Professional Standards Applied

We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 "AssuranceEngagements other than Audits or Reviews of Historical Financial Information" and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements "3410 Assurance Engagements on Greenhouse Gas Statements", issued by POA.

Annex 2. Limited Assurance Report under TSRS

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Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we haveidentified that a material misstatement of the Sustainability Information is likely to arise. The procedureswe performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information,

- Face-to-face and online interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to review and assess the sustainability related information.
- The disclosure and presentation of sustainability-related information have been evaluated.
- Through inquiries, we obtained an understanding of Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of particular control activities, we did not obtain evidence about their implementation or we did not test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

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

Didem Tuşel Özdoğan,
SMMM Partner

24 July 2025
İstanbul, Türkiye

Arçelik

Türkiye Sustainability Reporting Standards Compliant Sustainability Report 2024

Reporting structure, content, and design prepared internally by the Arçelik Sustainability Department

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