

## C0. Introduction

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### C0.1

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#### (C0.1) Give a general description and introduction to your organization.

Maintaining its steady growth since its establishment in 1997, Vestel Beyaz Eşya today is a player, which leads the market with its long-term strategies and vision and as one of the largest manufacturers of home appliances in both Turkey and Europe. Vestel Beyaz Eşya carries out its production activities by employing the state-of-the-art technology in its 7 plants at Vestel City, which is one of the largest industrial complexes in Europe established in a single location, covering an area of 1.3 million m<sup>2</sup> in Manisa. Vestel Beyaz Eşya manufactures refrigerators, washing machines, tumble dryers, cooking appliances, dishwashers, air-conditioners and water heaters in an enclosed area of 410,000 m<sup>2</sup> at Vestel City. In 2022, Vestel Beyaz Eşya's annual production capacity increased from 13.6 million units to 15.6 million units with additional capacity investments in the refrigerator, cooking appliances, dishwasher and washing machine factories.

Vestel Beyaz Eşya is among the leading original design manufacturers (ODM) in Europe, one of the five largest manufacturers in the household appliances market in Europe and one of the top three players of the sector in Turkey thanks to the products we develop by closely following the trends in technology. Vestel Beyaz Eşya accounts for one third of Turkey's household appliances exports. While sales in European countries are mainly conducted on an ODM basis; the Company also carries out branded sales through the global brands licensed by and the regional brands owned by Vestel Group.

Logistics-distribution competence, extensive dealer network and service organization backed by an advanced technological infrastructure of Vestel Ticaret AŞ which carries out the Company's sales and marketing operations reinforce Vestel Beyaz Eşya's strong brand image in the domestic market. Aftersales services for Vestel Beyaz Eşya's products are performed by the authorized service providers throughout the country and the central services and call center under the Vestel Customer.

Vestel Beyaz Eşya's vision is to be a technology company creating social and environmental benefits through accessible and smart products that make life easier. With this vision, Vestel Beyaz Eşya's strategy has three pillars:

\*Technology and Human-Oriented Transformation

\*A Net Zero Company

\*Accessible and Smart Solutions That Make Life Easier

Through its strong R&D organization and competence in the development of technology, Vestel Beyaz Eşya offers a continuously expanding environmentally friendly product range, which appeals to a wide consumer base on a global scale. The Company aims to offer accessible, easy, smart and energy-efficient products to consumers by creating environmental and social benefits through its products. Vestel Beyaz Eşya focuses on high energy and water efficiency in the products it offers to the consumers, and it constantly improves its goals in this area. The Company strives to develop products with reduced environmental impact and high savings through R&D and innovation studies, and it devotes a significant part of the R&D budget to developing smart products that create benefits.

Vestel Beyaz Eşya's performance in ESG issues is monitored through sustainability indices. The Company been listed in the Borsa Istanbul Sustainability Index since 2016. With an Environmental, Social and Governance (ESG) score of 77 from the Refinitiv rating agency, Vestel Beyaz Eşya ranks 7th among 94 companies in its sector on a global basis. Vestel Beyaz Eşya started to respond to EcoVadis sustainability assessment as of 2021 and HIGG sustainability assessment as of 2022.

In 2021, Vestel Beyaz Eşya became a signatory to the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. Vestel Beyaz Eşya aims to achieve net zero emissions by 2050, first in its own operations and then in its entire value chain. The Company announced its commitment to set Science Based Target (under SBTi), a major step in achieving net zero emissions.

### C0.2

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(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

**Reporting year**

**Start date**

January 1 2022

**End date**

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

**C0.3**

(C0.3) Select the countries/areas in which you operate.

Turkey

**C0.4**

(C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

**C0.5**

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

**C0.8**

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	TREVEST00017
Please select	<Not Applicable>

**C1. Governance**

**C1.1**

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

**C1.1a**

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	An effective management structure is of great importance for the integration of environmental, social and governance (ESG) topics throughout the company. The CEO has the highest level of direct responsibility for climate-related issues and oversees all environmental, social and governance matters. The CEO reports directly to the Board of Directors. The CEO is also the head of Vestel Sustainability Committee, which manages climate-related issues. The Committee meets quarterly.
Board-level committee	The Early Detection of Risk Committee was established pursuant to the Board of Directors' resolution dated 15 March 2013, in order to identify risks which could threaten the existence, development and continuity of the Company, take necessary measures against these risks and undertake risk management activities. These risks also include climate-related risks. The Early Detection of Risk Committee is composed of at least two Board members. In case the Committee has only two members, both of them, and in case it has more than two members, the majority of them, must be non-executive Board members. The Committee continues its activities with regard to the early detection of threats which may have negative consequences on the development and continuity of the Company and manage the risks effectively by developing action plans against such threats. The Early Detection of Risk Committee convenes as frequently as necessitated for the efficiency of its activities and in principle at least three times a year. The Committee held six meetings in 2022 and submitted six risk reports to the Board of Directors.

**C1.1b**

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding annual budgets</li> <li>Overseeing major capital expenditures</li> <li>Reviewing innovation/R&amp;D priorities</li> <li>Reviewing and guiding strategy</li> <li>Overseeing and guiding the development of a transition plan</li> <li>Monitoring the implementation of a transition plan</li> <li>Overseeing the setting of corporate targets</li> <li>Overseeing value chain engagement</li> <li>Reviewing and guiding the risk management process</li> </ul>	<Not Applicable>	Vestel CEO reports directly to the Board of Directors and is the head of Vestel Sustainability Committee. Vestel Sustainability Committee meets quarterly. Climate-related issues are among the most important agenda items of Vestel Sustainability Committee. There is also Early Detection of Risk Committee on the board level which covers climate-related risks. The Early Detection of Risk Committee held 6 meetings in 2022 and presented 6 risk reports to the Board of Directors.

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Yes	<p>Criteria used is the employment background and degree of Vestel's CEO:</p> <p>Vestel's CEO obtained his bachelor's degree in mechanical engineering from Istanbul Technical University in 1976 and his MBA from Brunel University in the UK in 1979. Following his return to Turkey, he worked in managerial positions at various companies in the private sector before joining Vestel in 1988. Having assumed various managerial positions at Vestel since 1988, he served as the Chairman of Vestel Foreign Trade and as an Executive Committee Member at Vestel Elektronik until 2013. Since January 1, 2013, he has been the CEO of the Vestel Group of Companies. He served as the President of TURKTRADE (Turkish Foreign Trade Association) for two terms between 2002 and 2006. From 2010 to 2014, he sat at the board of Europe's largest ICT Confederation, DIGITALEUROPE, as the first Turkish national to hold this position.</p> <p>Fast Company Magazine has announced the 3rd of the Sustainability Leaders 50 list, in which Turkey's leading holdings, companies and banks as well as startups participate. Vestel's CEO ranked 16th on the list.</p>	<Not Applicable>	<Not Applicable>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

**Position or committee**  
Chief Executive Officer (CEO)

**Climate-related responsibilities of this position**

Managing annual budgets for climate mitigation activities  
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)  
Integrating climate-related issues into the strategy  
Managing public policy engagement that may impact the climate  
Assessing climate-related risks and opportunities  
Managing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

Reports to the board directly

**Frequency of reporting to the board on climate-related issues via this reporting line**

Quarterly

**Please explain**

Sustainability issues are managed by the Sustainability Department reporting to the CEO. The Sustainability Committee, comprised of senior management and led by Vestel CEO.

**Position or committee**

Sustainability committee

**Climate-related responsibilities of this position**

Integrating climate-related issues into the strategy  
Setting climate-related corporate targets  
Monitoring progress against climate-related corporate targets  
Assessing climate-related risks and opportunities  
Managing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

Reports to the board directly

**Frequency of reporting to the board on climate-related issues via this reporting line**

Quarterly

**Please explain**

Sustainability issues are managed by the Sustainability Department reporting to the CEO. The Sustainability Committee, comprised of senior management and led by Vestel CEO, was established in 2022. The Committee meets quarterly. The decisions of the Committee are reported to the Board of Directors.

Vestel Sustainability Committee consists of Vestel Executive Management, including the following people;

Vestel Chief Executive Officer (CEO)  
General Manager of Financial Affairs of the Vestel Group of Companies  
General Manager of Vestel Elektronik Sanayi ve Ticaret AŞ  
General Manager of Vestel Beyaz Eşya Sanayi ve Ticaret AŞ  
General Manager in Charge of International Sales at Vestel Ticaret AŞ  
General Manager in Charge of Domestic Sales and Marketing at Vestel Ticaret AŞ  
General Manager in Charge of Customer Services at Vestel Ticaret AŞ (Secretary General)  
Vestel Human Resources Director  
Strategic Planning & Coordination Manager  
Sustainability Manager

The duties and responsibilities of the Vestel Sustainability Committee are as follows:

- Determining corporate policies and strategies on environmental, social and governance (ESG) issues,
- Ensuring the integration of sustainability policies and strategies, including climate change and water management, with corporate business objectives,
- Assessing and making strategic decisions on non-financial risks and opportunities, including climate and water related issues, and managing identified risks and opportunities,
- Identifying KPIs and targets for critical sustainability issues,
- Ensuring the implementation of decisions taken for sustainability and the climate crisis, approving the financial investments required for the said decisions and monitoring performance to ensure that targets are met,
- Determining the strategic framework of external assessment and rating tools (CDP, DJSI, Refinitiv, etc.) on sustainability and monitoring the results,
- Revising the company strategy when necessary according to global trends in sustainability-related issues,
- Promoting cooperation with NGOs, public institutions and universities on sustainability-related issues.

**Position or committee**

Environment/ Sustainability manager

**Climate-related responsibilities of this position**

Developing a climate transition plan  
Implementing a climate transition plan  
Integrating climate-related issues into the strategy  
Monitoring progress against climate-related corporate targets  
Managing value chain engagement on climate-related issues  
Assessing climate-related risks and opportunities  
Managing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

CEO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

Not reported to the board

**Please explain**

Sustainability issues are managed by the Sustainability Department reporting to the CEO.

Under the coordination of the Vestel Group of Companies Sustainability Department, there are working groups on Environment, Social, Governance, Technology, Supply Chain and Customer Satisfaction. Sustainability Working Groups have been established to control and coordinate sustainability-related issues. The members of these groups consist of experts and/or managers responsible for sustainability-related issues appointed by each department.

These groups meet once a month. Sustainability Working Groups report to the Sustainability Committee. Sustainability Working Groups started working in 2021 in line with the new roadmaps prepared, and the work continued at an accelerated pace in 2022.

The duties and responsibilities of the Sustainability Working Groups are as follows:

- Ensuring that all activities of the Sustainability Working Groups are in line with corporate strategy, policies and sustainability principles,
- Implementing the decisions of the Sustainability Committee,
- Implementing sustainability as the main strategy in processes,
- Developing proactive solutions for the Company's risks and opportunities related to sustainability, climate change and water management, reporting the said solutions and sharing best practices,
- Preparing and/or coordinating action plans for sustainability targets, implementing action plans, monitoring progress towards targets and reporting KPI results.

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**Position or committee**

Chief Operating Officer (COO)

**Climate-related responsibilities of this position**

Managing annual budgets for climate mitigation activities

Monitoring progress against climate-related corporate targets

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

CEO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

As important matters arise

**Please explain**

COO is one of the members of the sustainability committee. The COO is also responsible for taking decisions at sustainability committee meetings and monitoring implementation of sustainability issues.

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**Position or committee**

Energy manager

**Climate-related responsibilities of this position**

Monitoring progress against climate-related corporate targets

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

Operations - COO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

Not reported to the board

**Please explain**

Energy Manager is responsible for managing energy efficiency projects. In 2022, Vestel Beyaz Eşya launched 15 main energy efficiency projects. Energy Manager also aims to implement water recovery models and focuses on minimizing water consumption.

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**Position or committee**

Other, please specify (Management Systems Manager)

**Climate-related responsibilities of this position**

Monitoring progress against climate-related corporate targets

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

Operations - COO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

Not reported to the board

**Please explain**

Management System Manager carries out the management system in accordance with ISO 9001, ISO 45001, ISO14001, ISO 27001 and ISO 50001 Energy standards and to ensure its continuous development. Also carbon emission calculations and monitoring environmental targets are among the job descriptions.

C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	COO, Sustainability Manager, Energy Manager and all employees have incentives for the management of climate-related issues.

C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

**Entitled to incentive**

All employees

**Type of incentive**

Monetary reward

**Incentive(s)**

Other, please specify (Vestel products as gifts from the Suggestion Catalogue)

**Performance indicator(s)**

- Implementation of an emissions reduction initiative
- Reduction in absolute emissions
- Reduction in emissions intensity
- Energy efficiency improvement
- Reduction in total energy consumption

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

Since 2019, Vestel Beyaz Eşya has implemented a reward system for employees working on assembly lines. In the reward system, the employees of assembly departments receive points when they achieve their targets defined for pre-determined environment, energy and climate change performance indicators. Subsequently, the employees are ranked according to their points at the end of each month. The top three departments receive Vestel Points and they can collect and accumulate these points to redeem for gifts from our award catalogue.

**Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan**

In line with the global agenda, Vestel Beyaz Eşya aims to reach net zero emissions by 2050, first in its own operations and then in its entire value chain. Moving towards becoming a climate-friendly company by promoting low-carbon technologies, Vestel Beyaz Eşya took an important step towards achieving net zero in 2021 by issuing a commitment letter to set Science Based Targets Initiative (SBTi). This incentive supports the company’s decarbonization efforts to spread and become a culture.

**Entitled to incentive**

Energy manager

**Type of incentive**

Monetary reward

**Incentive(s)**

Salary increase

**Performance indicator(s)**

- Achievement of a climate-related target
- Implementation of an emissions reduction initiative
- Reduction in absolute emissions
- Reduction in emissions intensity
- Energy efficiency improvement
- Reduction in total energy consumption

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

The energy manager is responsible from the energy audit and the supervision of ISO 50001 energy management system. The energy manager tracks energy consumption, sets energy efficiency targets and executes energy efficiency and renewable energy projects. The energy efficiency KPI is in the performance scorecard of the energy manager which is linked to the salary.

**Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan**

Vestel Beyaz Eşya aims to achieve net zero emissions by 2050, first in its own operations and then in its entire value chain. This incentive will contribute to these effort by decreasing Scope 2 emissions. Energy manager plays an important role in that process.

**Entitled to incentive**

Environment/Sustainability manager

**Type of incentive**

Monetary reward

**Incentive(s)**

Salary increase

**Performance indicator(s)**

- Achievement of climate transition plan KPI

Progress towards a climate-related target  
Achievement of a climate-related target  
Increased engagement with suppliers on climate-related issues  
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)  
Implementation of employee awareness campaign or training program on climate-related issues

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

Sustainability manager's overall performance is directly linked with setting ambitious emission reduction and energy reduction targets. Sustainability manager works to ensure that the targets are met. The sustainability manager's performance indicators also include supply chain compliance on climate related issues. Notable performance on climate related issues (e.g. activities for GHG reduction, renewable energy, energy efficiency) are reflected on the annual performance evaluation.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

Sustainability issues are managed by the Sustainability Department reporting to the CEO. This incentive is directly linked to the performance of Sustainability Manager and effective sustainability management in Vestel.

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**Entitled to incentive**

Chief Operating Officer (COO)

**Type of incentive**

Non-monetary reward

**Incentive(s)**

Public recognition

**Performance indicator(s)**

Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

The COO is recognized within Vestel and Zorlu Holding (parent company) when climate-related sustainability index scores are increased.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

Vestel Beyaz Eşya's performance in ESG issues is monitored through sustainability indices. The Company been listed in the Borsa Istanbul Sustainability Index since 2016. With an Environmental, Social and Governance (ESG) score of 77 from the Refinitiv rating agency, Vestel Beyaz Eşya ranks 7th among 94 companies in its sector on a global basis. This incentive serves for better management of ESG issues throughout the value chain.

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**Entitled to incentive**

All employees

**Type of incentive**

Monetary reward

**Incentive(s)**

Other, please specify (Vestel products as gifts from the Suggestion Catalogue)

**Performance indicator(s)**

Achievement of a climate-related target  
Implementation of an emissions reduction initiative  
Energy efficiency improvement

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

Vestel Beyaz Eşya Suggestion System: our employees give their suggestions according to our environmental categories, including climate change issues. The suggestions given are evaluated by the production staff and entered into an online system. Each suggestion entered is forwarded to the person of expertise. If, after evaluation, the proposal can make an improvement, it is calculated according to a profit calculation method accepted by Vestel Beyaz Eşya for kaizen. Accordingly, the profit is calculated in EUR and the recommendation comes to our TPM Experts. After evaluating the process, we upload a Vestel score according to the environment category and earnings achieved. In return for these points, the employee can receive Vestel products as gifts from the Suggestion Catalogue.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

In line with the global agenda, Vestel Beyaz Eşya aims to reach net zero emissions by 2050, first in its own operations and then in its entire value chain. Moving towards becoming a climate-friendly company by promoting low-carbon technologies, Vestel Beyaz Eşya took an important step towards achieving net zero in 2021 by issuing a commitment letter to set Science Based Targets Initiative (SBTi). This incentive supports the company's decarbonization efforts to spread and become a culture.

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## C2. Risks and opportunities

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### C2.1

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**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

#### C2.1a

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**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	2	Short-term risks are determined as risks that can occur in 0-2 years time in the context of climate-related risks and opportunities.
Medium-term	2	5	Medium-term risks are determined as risks that can occur in 2-5 years time in the context of climate-related risks and opportunities.
Long-term	5	10	Long-term risks are determined as risks that can occur in 5-10 years time in the context of climate-related risks and opportunities.

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**C2.1b**

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

We use a 5 x 5 risk matrix to assess the risks and opportunities. 1 indicates the lowest, 5 indicates the highest risks or opportunities. Once we assess the risks and opportunities according to their scores; the risk response mechanism takes place. We create action plans according to the scores of related risks and opportunities.

We define substantive financial or strategic impact as having a "very high" risk score of 20-25. The definitions are as below:

- Regarding Quality; Loss of customer / product return,
- Regarding Prestige/Company Reputation; Loss of international prestige, loss of trust in the brand in society, official institutions and the sector,
- Regarding Business Continuity; Having an unplanned stop for more than 1 month,
- Regarding Material Loss (Equipment Damage, Penalty, Poor Quality Cost, etc.); More than 1 million USD loss,
- Regarding Occupational Safety / Employee Health / Emergencies; Death as a result of accident or natural disaster, occupational illness / diagnosis,
- Regarding Employee Engagement / Satisfaction; General work stoppage due to dissatisfaction,
- Regarding Compliance Requirements; Closure of the company or production facility
- Regarding Environment; Regional severe impact to environment

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**C2.2**



**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Annually

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

Having an integrated risk management approach covering the entire business cycle, Vestel has set its risk management perspective for 2022 as identifying and implementing organization-wide mitigation/ elimination actions for risks that may affect its current or future performance and/or reputation. Throughout the year, risk appetite and risk management for major risks were systematically reviewed and updated where necessary. Each department and function of the Company has monitored and evaluated the risks that it faces/may face, created and implemented action plans and reported the results within the scope of the risk management cycle. In the context of managing risks centrally, Vestel has adopted the Zorlu Holding Risk Policy and Procedure and the Corporate Risk Management Framework, which are prepared within Zorlu Holding and applicable to all related companies.

Recognizing that the climate crisis is the most important short, medium and long term risk threatening humanity and its future, Vestel addresses the actual and potential risks posed by the climate crisis on human life and the business world, and the implications of these risks on its business cycle within the framework of the Task Force on Climate-related Financial Disclosures (TCFD). In this context, climate risks are addressed as transition and physical risks.  
<https://www.fsb-tcfd.org/recommendations/>

Our risk and opportunity analysis is done periodically according to ISO 14064 and ISO 50001 standards. When identifying risks and opportunities related to climate change, we first consider the operations, needs and expectations of all stakeholders. When assessing risks, we use our risk matrix, which consists of impact severity and probability of occurrence (risk = probability x impact)

We use a 5 x 5 risk matrix to assess the risks and opportunities. 1 indicates the lowest, 5 indicates the highest risk or opportunity. Once we assess the risks according to their scores; the risk response mechanism takes place. We create action plans according to the scores of related risks and opportunities.

Measures against climate-related risks are developed and/or the continuation of the existing measures taken is ensured.

In order to reduce risks; technology, infrastructure, process flow changes can be realized (such as insurance, contractual guarantee, partnerships, risk sharing). Activities that cause increased climate change risks are abandoned. Once the actions are taken to reduce climate-related risks, we assess the risks again and make sure that the risk level is acceptable. We conduct the similar process for climate-related opportunities.

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C2.2a

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	We are subject to product energy efficiency regulations in every market that we sell. For example, if we fail to comply with the energy efficiency regulations and standards required for selling our products to the EU and Domestic Market, there is a risk for us to lose 90% of our market share. Also, our production plants are subject to energy regulations in Turkey. For example, it is mandatory to conduct energy audits in every 4 years in Turkey.
Emerging regulation	Relevant, always included	We continually monitor, review, and assess proposed and incoming regulatory change as part of our risk management process to mitigate and manage potential impacts on our business. For example, Vestel Beyaz Eşya may be exposed to the risk of carbon taxes in certain parts of the world, where these taxes expected in the near future.
Technology	Relevant, sometimes included	Vestel Beyaz Eşya is a technology company at its core; hence technology is at the forefront of our every decision. However, technology can also bring risks in our operations. For example, we use manual labor in some of our processes. With our commitment to Industry 4.0 and automation, we will use more machinery instead of manual labor; therefore our energy consumption and costs can increase.  As digitalization increases, customer demands and expectations change rapidly, and objective or biased experiences and comments shared on the internet, Especially on social media, Significantly shape customers' purchasing decisions and preferences. This trend not only makes digitalization more important for manufacturers and service providers, but also poses various risks.
Legal	Relevant, always included	Failure to comply with our legal obligations in relation to climate change is a risk to our business. For example, there is a potential legal risk connected with the labelling of products. There can be litigation claims related to product labelling as "low carbon" & "green" products. These could lead to enforcement action, including fines.
Market	Relevant, always included	Any failure related to implementation of our environment and climate friendly business strategy and reduced environmental performance in our activities may result in losing of our consumers and our market share. For example, there is a risk of faster response by competitors, lagging behind in the market and missing new growth areas due to the developments and innovations regarding transition to a zero carbon economy.
Reputation	Relevant, always included	Vestel achieved the highest brand value and brand ranking in the "Turkey 100 2022" most valuable Turkish brands ranking of the international financial institution Brand Finance. Vestel rose from 11th to 4th in the ranking, becoming the fastest growing brand among the top 10 brands, both within and across sectors. Vestel's brand value increased by 29% in one year, increasing to USD 927 million from USD 720 million. This kind of reputation is key in our business, therefore, we closely monitor risks related to reputation. For example, there is a risk of loss of reputation due to Vestel Beyaz Eşya's potential failure to achieve its climate change-related targets and adaptation to climate change.
Acute physical	Relevant, sometimes included	Acute physical climate risks, such as extreme weather events, pose numerous challenges to our operations and assets, due to the potential for disruption to critical processes and/or infrastructure. Some examples from our acute physical risks are identified as below:  -Production interruption and losses at production facilities triggered by extreme weather events such as floods and tornadoes -Fires caused by extreme heat in forests and power lines close to Vestel Beyaz Eşya -Potential price and supply fluctuations in input costs due to interruptions and pauses in the supply chain triggered by extreme weather events -Elevated seasonal water stress at our production plants and our suppliers due to high temperatures caused by climate change as well as decreased availability of high-quality and sufficient water in production activities
Chronic physical	Relevant, sometimes included	Long-term changes to weather patterns present chronic physical risks for our business. For example:  -High temperatures affecting our manufacturing performance and increasing our cooling costs -Various potential malfunctions and deterioration in electronic components due to high temperatures -Risk of inundation of production facilities due to sea level rise in Manisa, and its surroundings.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Europe accounts for 51% of the total sales of Vestel Beyaz Eşya. There is a risk of various mechanisms such as carbon pricing in trading countries, Carbon Border Adjustment Mechanism (CBAM) under the European Green Deal, and emissions trading systems potentially creating a financial burden on the Company.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

102895039.34

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Financial impacts are calculated according to Emission Trading System (ETS) and Carbon Tax scenarios. If ETS comes into force in near term Vestel Beyaz Eşya would pay a Carbon Tax for its 2022 (scope 1&2) GHG emissions which is 74983 tCO<sub>2e</sub>. Benchmark carbon prices in the EU Emission Trading System average 78.91 EUR. Source: [https://icapcarbonaction.com/system/files/ets\\_pdfs/icap-etsmap-factsheet-43.pdf](https://icapcarbonaction.com/system/files/ets_pdfs/icap-etsmap-factsheet-43.pdf) . Potential financial impact = 74983 tCO<sub>2e</sub> \* 78.91 EUR/tCO<sub>2e</sub> = 5,916,908.53 EUR = 102,895,039.34TRY.

**Cost of response to risk**

323407650

**Description of response and explanation of cost calculation**

Vestel Beyaz Eşya can eliminate 2022 emissions from purchased electricity in Scope 2 with IREC purchase to mitigate risk of a carbon tax. The calculation would be as below:

Vestel Beyaz Eşya's 2022 electricity consumption: 121,530 Mwh

2022 IREC cost: 5 TRY/Mwh

121,530 Mwh\*5TRY/Mwh= 607,650 TRY

We are planning on purchasing IRECs in 2023 as we are first considering solar panel investments in house. After the solar panel installations we will purchase IRECs for the remaining electricity Mwh amount.

To increase renewable energy generation, we plan to install solar panels on the roofs of the tumble dryer factory and additional buildings, generating 30,000 MWh of electricity. Solar panel installation cost for three rooftops of existing buildings: 12,000,000 USD = 322,800,000 TRY. Even though the initial investment is higher than the impact figure, we estimate a ROI of 4.2 years.

Therefore, the total cost of response to risk is 607,650 TRY + 322,800,000 TRY = 323,407,650 TRY

**Comment****Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Market	Increased cost of raw materials
--------	---------------------------------

**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

&lt;Not Applicable&gt;

**Company-specific description**

The carbon border adjustment mechanism (CBAM) under the European Green Deal will impose the obligation for importers of certain carbon-intensive products to provide data on the imported goods and buy certificates corresponding to the emissions embedded in these products. The CBAM will apply in the first phase to the imports from non-EU countries of iron and steel, aluminum, cement, fertilizers and electricity, hydrogen. However, in the first years after then entry into force the Commission will make an assessment of the CBAM. If necessary, the Commission will propose to extend the CBAM to indirect emissions, as well as to other goods and services at risk of carbon leakage. As the price of the CBAM certificates will mirror the prices of the EU ETS allowances - the CBAM is expected to increase the costs for importers of steel within the scope of the CBAM. Imported steel will become more expensive. We expect that this will increase the overall cost of steel globally. Steel is one of the main raw materials of Vestel Beyaz Eşya. Vestel Beyaz Eşya used 217,973 tonnes of steel in 2022. Therefore, we are expecting a direct cost increase risk in the our direct operations.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

6347566313

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Current steel price has been increased by 40% and multiplied by steel quantity forecast of 2025.

**Cost of response to risk**

29427900

### Description of response and explanation of cost calculation

R&D studies were conducted in 2022 to decrease the amount of steel used in products with optimization studies.

L sheet bracket: Currently, panel support plastic is used on the back of the side panel to prevent breakage after the drop test. In the domestic market, it was planned to use only 1.2 mm thick L-shaped support sheets instead of panel support plastic in the rear lower corners of the side panel. The aim was to reduce the damage records in the domestic market and the customer complaints about side panel breakage. However, a stronger panel structure was desired and so that it was decided that the use of L sheet + Panel support plastic would create a more rigid and stable structure with high strength. As a positive result of the tests, 1 mm was used instead of 1.2 mm. 5.6 tons of sheet raw material has been saved annually, and it will be used in models that will go into the series in the future, and the amount of savings will increase up to 8 tons.

Compressor fixing sheet: While the new mold was being made for the part, the part design was revised in order to reduce the band width from 88 mm to 82 mm. The outer edges of the part were offset by 1 mm towards the center at the same time the montage holes were not changed. Thus, a total of 16.6 tons of raw material was saved annually from the parts and band design, which has an annual production of 10,000,000.

These types of studies will continue on an ongoing basis. 294,279,000 TRY was spent to R&D in 2022. We estimate that 10% was spent in steel raw material reduction studies hence 29,427,900 TRY is calculated as the cost of response to risk in 2022.

Response action: R&D studies were conducted in 2021 to decrease the amount of steel used in products with optimization studies. For example, the side support bracket part, which is screwed to the upper part of the washing machine body, is a part on which the spring of the washing machine is suspended and is subjected to downward force by the spring. While reducing the use of steel in this part from 1.2 mm to 1 mm, its mechanical strength has been increased by 46%. These types of studies will continue on an ongoing basis.

294,279,000 TRY was spent to R&D in 2022. We estimate that 10% was spent in steel raw material reduction studies hence 29,427,900TRY is calculated as the cost of response to risk in 2022.

### Comment

#### Identifier

Risk 3

#### Where in the value chain does the risk driver occur?

Downstream

#### Risk type & Primary climate-related risk driver

Market	Changing customer behavior
--------	----------------------------

#### Primary potential financial impact

Decreased revenues due to reduced demand for products and services

#### Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

#### Company-specific description

According to International Trade Centre, European Commission report of 2019 titled The European Union Market for Sustainable Products: The retail perspective on sourcing policies and consumer demand; 85% of retailers in Europe state that their sustainable product sales have increased in the last five years, and 92% say that they will rise in the next five years. There is a risk of reputation loss and revenue loss if Vestel Beyaz Eşya cannot expand its sustainable product portfolio and fails to reduce its carbon footprint at its operations.

#### Time horizon

Short-term

#### Likelihood

Likely

#### Magnitude of impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

8832217747

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

Europe accounts for 51% of the total sales of Vestel Beyaz Eşya. Sustainable sourcing commitments exist among 76% of retailers interviewed by International Trade Centre, European Commission. Currently, our sustainable products account for 27.4% of our revenues. Therefore, the remaining 72.6% of revenue is at risk due to changing consumer preferences. This risk can materialize if our sustainable product portfolio does not expand going forward and if we cannot provide carbon reductions in our plants. The potential financial impact figure is calculated as the loss of customers in Europe: Vestel Beyaz Eşya's 2022 revenue (31,386,969,000TRY) x 72.6% of revenue at risk x 51% of revenues from EU market x 76% of customer loss risk = 8,832,217,747 TRY

#### Cost of response to risk

29916600

#### Description of response and explanation of cost calculation

To manage the risk, Vestel Beyaz Eşya has been calculating its greenhouse gas emissions in its operations since 2009. Vestel Beyaz Eşya calculated its corporate GHG emissions by using IPCC and in accordance with ISO 14064-1 Standard. Since 2016, Vestel Beyaz Eşya's GHG Inventory Report have been audited and verified by an independent third party in "reasonable assurance" level. Vestel Beyaz Eşya shares its GHG emissions with all stakeholders through its annual reports. Vestel Beyaz Eşya not only calculates but also takes action to reduce its carbon footprint.

In 2021, we submitted a letter of commitment to set Science Based Targets (SBTi), a major step in reaching net zero emissions. To that end, we aim to switch to technologies that cause less greenhouse gas emissions from production, increase renewable energy investments and manufacture products with high energy efficiency, less water consumption, less carbon emissions and a low environmental impact.

In 2022, Vestel Beyaz Eşya launched a total of 15 main energy efficiency projects, saving 4,400 MWh of energy and TL 11 million. This is equivalent to the annual electricity consumption of approximately 1,300 people in Türkiye. On the other hand, Vestel Beyaz Eşya reduced its total electricity consumption per unit product by 0.3%, total natural gas consumption by 3.7% and total hot water consumption by 27% in 2022 compared to the previous year, thus avoiding a total of 2,010 tonnes of carbon emissions. The cost of response to risk is calculated as these energy efficiency project costs that have been realized in 2022: 29,916,600 TRY.

In addition, In terms of reducing energy consumption of IT infrastructure, we run information systems data centers over consolidated servers as much as possible. In this context, we use virtual servers and consume less energy by minimizing the number of physical servers. In addition, cooling systems in data centers ensure that only necessary areas are cooled.

In terms of energy efficiency in products, energy consumption in refrigerators, tumble dryers, air-conditioners and dishwashers sold in Türkiye in 2022 improved by 9.5%, 3.3%, 5.2% and 2%, respectively, compared to 2021.

Going forward, we'll invest more in energy efficiency both in our direct operations and in our products. We have energy efficiency investment project plans in place.

## Comment

### Identifier

Risk 4

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Technology	Substitution of existing products and services with lower emissions options
------------	---

### Primary potential financial impact

Decreased revenues due to reduced demand for products and services

### Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

### Company-specific description

Vestel Beyaz Eşya operates in a sector that consumes a large amount of resources such as electricity, water, concrete, steel, aluminum and polymers, which have high environmental impact. The Company focuses on increasing its contribution to the circular economy with its innovative approach and R&D efforts in all processes from design to production.

Carrying out efforts to reduce the consumption of plastic raw materials and plastic waste generated in production processes and offices, Vestel Beyaz Eşya has made a commitment to reduce the use of plastic and reuse it by recycling under the Business World Plastics Initiative, of which it is a signatory. In this respect, it cooperates with domestic and foreign suppliers and start-ups in order to ensure the availability of recycled and alternative plastic raw materials. By recovering the wastage generated throughout production processes.

There is a risk of revenue loss if Vestel Beyaz Eşya cannot expand recycled raw material content in its products and fails to reduce its carbon footprint.

### Time horizon

Medium-term

### Likelihood

More likely than not

### Magnitude of impact

Medium

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

### Potential financial impact figure (currency)

21657008610

### Potential financial impact figure – minimum (currency)

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### Explanation of financial impact figure

Based on "Sustainability at a Turning Point" research conducted by IBM, as extreme environmental events become ever-more common, people are carefully weighing short-term expectations, such as convenience and cost-efficiency, against the existential need to preserve the planet for future generations. In this research, 69% of respondents say circular economy (designing out waste and pollution) is extremely important to them personally.

The potential financial impact figure is calculated as the loss of customers.

$31,386,969,000\text{TRY (Vestel Beyaz Eşya's 2022 revenue )} \times 0,69 \text{ (customer loss risk)} = 21,657,008,610 \text{ TRY}$

### Cost of response to risk

29427900

### Description of response and explanation of cost calculation

The Company aims to use 4,344 tonnes of recycled plastic by the end of 2022 and a total of 7,081 tonnes by the end of 2023 in products and components, starting from 2021. Besides, the Company will improve the product and packaging designs of all major household appliances and reduce the use of plastics by 1,000 tonnes by the end

of 2023 when compared to the base year 2020 through the activities to be performed under the cooperation of its R&D and Production units. The Company has exceeded its commitments for the 2021-2022 period, resulting in 242 tonnes of plastic reduction in packaging materials and 2,689 tonnes of plastic reduction in products. By using 5 tonnes of bio-based plastic materials and 4,583 tonnes of recycled plastics, it avoided the use of a total of 7,516 tonnes of virgin plastics. For these reasons, Vestel carries out R&D activities to increase recycled and recyclable contents in its products and allocates 10% of R&D expenditures to this topic.

Vestel Beyaz Eşya R&D expenditures 294,279,000TRY x 0,10 = 29,427,900 TRY

**Comment**

**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Market	Uncertainty in market signals
--------	-------------------------------

**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

As of early 2022, the war scenarios that have been discussed since the beginning of 2022 led to a major energy crisis, with the US and European countries imposing an embargo on Russia, the world's largest energy and commodity supplier. Record-high energy and commodity prices pushed inflationary pressures to the peak. Vestel Beyaz Eşya used 77,039 MWh of natural gas and 121,530 MWh of electricity in 2022. These increases in energy prices are directly reflected in production costs and pose a risk for the company.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

329840037

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Vestel Beyaz Eşya's average electricity price increased by 296% in 2022 compared to 2021, while the average natural gas price increased by 503%. In line with these increases, the cost of electricity used increased from 83,525,772 TRY to 331,142,659 TRY. Similarly, the cost of natural gas increased from 16,344,946 TRY to 98,568,097 TRY. As a result, total cost for electricity and natural gas increased from 99,870,718TRY to 429,710,756TRY. Therefore potential financial impact is 329,840,037TRY.

**Cost of response to risk**

29916600

**Description of response and explanation of cost calculation**

For eliminating electricity and natural gas cost risk, Vestel launched energy efficiency projects. In 2022, Vestel Beyaz Eşya launched a total of 15 main energy efficiency projects, saving 4,400 MWh of energy and TL 11 million. This is equivalent to the annual electricity consumption of approximately 1,300 people in Türkiye. total cost of these projects is 29,916,600 TRY.

**Comment**

**C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

There's an opportunity to install solar panels to our existing buildings, specifically on the roof of tumble dryer plant, expansion area of cooking appliances & air conditioner plant and Utilities-2 facility. Vestel Beyaz Eşya generated 175 MWh of electricity in 2022 with the 142 kWp solar panel installed on the roof of the facility that distributes energy to the refrigerator and washing machine factories. In the coming period, the Company plans to install solar panels on the roofs of the tumble dryer factory and additional buildings, generating approximately 30,000 MWh of electricity per annum. We see this situation as an opportunity for us and evaluate it.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

81743436

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We plan to install solar panels and generating 30,000 MWh of electricity. 30,000 Mwh electricity bill cost estimation in 2023: 81,743,436 TRY

**Cost to realize opportunity**

322800000

**Strategy to realize opportunity and explanation of cost calculation**

Actions taken in 2022: To increase renewable energy generation, we installed a 142 kWp rooftop solar panel at our utilities facility that distributes energy to refrigerator and washing machine plants in 2022 and generated 175 MWh of electricity.

We plan to install solar panels on the roofs of the tumble dryer factory and additional buildings, generating 30,000 MWh of electricity

Future actions: We are planning on installation of solar panels as described above in 2 years; after the construction of some of our buildings are finalized. We also have plans on installing solar panels on top of our new buildings.

Solar panel installation cost for three rooftops of existing buildings: 12,000,000 USD = 322,800,000TRY. Even though the initial investment is higher than the impact figure, we estimate a ROI of 4.2 years.

**Comment****Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of recycling

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

The Recovery Unit evaluates the materials and spare parts replaced for malfunction for reuse and repair those which are available for repair. Thus, the materials that have financial value for the Company are recovered, resulting in economic gain, and potential environmental impacts are prevented by reducing the quantity of potential electronic waste as well. In 2022, 41,213 spare parts were recovered, saving TRY 7.5 million. The products replaced under warranty are delivered to the Returned Products Evaluation Center (DÜDEM) within Vestel City, those available for repair are refurbished at our Refurbishing Centers and sold at Vestel Outlet stores and some dealers. In 2022, a total of 22,969 major household appliances were refurbished and brought back into the economy. Non-refurbishable products are recycled through a licensed recycling company.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

7500000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

In 2022, 41,213 spare parts were recovered in DÜDEM.

The total cost of all the refurbished spare parts is 7,5 million TRY

**Cost to realize opportunity**

4000000

**Strategy to realize opportunity and explanation of cost calculation**

A separate area has been allocated for the refurbishment operation. Including personnel and equipment the process cost 4 million TRY to Vestel.

**Comment**

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

**Primary potential financial impact**

Other, please specify (increase revenue from patents)

**Company-specific description**

In 2022, the ratio of the Company's R&D expenditures to sales revenues stood at 0.94%. In 2022, Vestel Beyaz Eşya applied for 150 patents, 97 of which were registered, while the number of patents from which it generated commercial revenues reached 80.

The entry into new business areas and the increase in the number of R&D and innovation projects offer significant opportunities for Vestel, and the Company high integration with the R&D and innovation ecosystem.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

151917260

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The commercial revenue from patents is 151,917,260 TRY in 2022.

**Cost to realize opportunity**

294300000

**Strategy to realize opportunity and explanation of cost calculation**

Vestel Beyaz Eşya is a technology company guiding the market both in Türkiye and in global markets thanks to its production, R&D and innovation competencies. Vestel Beyaz Eşya voluntarily combats the climate crisis by carrying out R&D, entrepreneurship and innovation activities that contribute to areas such as the protection of water resources, carbon reduction, energy efficiency, waste reduction and the development of environmentally friendly products. Vestel Beyaz Eşya has an R&D team of 719 people and 126 ongoing R&D projects. As a result, 294.3 million TRY of R&D investment has been made in 2022.

**Comment**

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**Identifier**

Opp4

**Where in the value chain does the opportunity occur?**

Upstream

**Opportunity type**

Resilience

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**Primary climate-related opportunity driver**

Other, please specify (Increased reliability of supply chain and ability to operate under various conditions.)

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

Vestel Supplier Monitoring and Development Program was launched to enable suppliers to effectively participate in sustainability processes, understand and improve their current levels. Within the scope of this program, which was designed in line with Vestel's and its suppliers' vision of achieving their sustainability goals and which aims to inform, evaluate and develop suppliers on sustainability, suppliers are expected to share their data on environmental social and governance issues with Vestel through specified platforms and software and to participate in the evaluation studies to be carried out by independent evaluation institutions.

Vestel Supplier Monitoring and Development Program consists of four stages:

1. Training
2. Sustainability self-assessment questionnaire
3. Input and validation of environmental and social data
4. Audit

Following these processes, supplier sustainability scores are determined and reflected on supplier scorecards. 80% of the audited supplier companies are in the medium risk category of sustainability level, 10% are in the good category, and 10% are in the acceptable risk level category. All companies have successfully completed the program. The Company aims to carry out the same program with the rest of the suppliers in 2023.

Vestel Beyaz Eşya considers supply chain as one of the key components of its business success and aims to create long-term environmental, social and economic value in the entire supply chain. Identifying potential risks and opportunities to improve and protect its value chain, Vestel Beyaz Eşya attaches importance to being transparent in its supply chain and monitoring and reporting its performance.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

By supporting suppliers to invest in climate change mitigation measures, resilience can be built throughout the supply chain to reduce the potential for business disruptions and price/supply fluctuations. Financial impact of this opportunity can not be quantified.

**Cost to realize opportunity**

24450

**Strategy to realize opportunity and explanation of cost calculation**

ESG audits and sustainability training program is outsourced to ESG consultancy company. The cost of this service is 24,450TRY in 2022.

**Comment**

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### C3. Business Strategy

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#### C3.1

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**(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?**

Row 1

**Climate transition plan**

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

**Publicly available climate transition plan**

No

**Mechanism by which feedback is collected from shareholders on your climate transition plan**

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

**Description of feedback mechanism**

<Not Applicable>

**Frequency of feedback collection**

<Not Applicable>

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

**Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

<Not Applicable>

**Explain why climate-related risks and opportunities have not influenced your strategy**

<Not Applicable>

C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios   IEA 2DS	Company-wide	<Not Applicable>	<p>Science Based Target Initiative’s Sectoral Decarbonization Approach is based on the 2°C scenario (2DS) developed by the International Energy Agency (IEA). The 2DS scenario describes an energy and industrial system consistent with an emissions trajectory that, according to climate science, has a good chance of limiting global warming to less than 2°C. Based on our commitment to SBTi, we are also using this scenario when developing our targets and action plans. While we take this scenario in our analysis, we are targeting net zero emissions according to 1.5C in our scope 1&amp;2. We are considering the 2C scenario for our scope 3 emissions which covers our biggest source of emissions.</p> <p>Assumptions: "IEA’s 2°C Scenario is built on a projected warming limit of 2°C and is part of the annual publication "Energy Technology Perspectives", providing scenario analysis based on the development of lower carbon technology and its deployment in various sectors. The IEA ETP 2DS sets out an energy system development pathway and an emissions trajectory consistent with at least a 50% chance of limiting the average global temperature rise to 2°C. It sets the target of cutting CO2 emissions by almost 60% by 2050 (compared with 2013), followed by continued decline after 2050 until carbon neutrality is reached. It also identifies changes that help ensure a secure and affordable energy system in the long run, while emphasizing that transforming the energy sector is vital, but not enough on its own."</p>
Physical climate scenarios   RCP 2.6	Company-wide	<Not Applicable>	<p>Science Based Target Initiative’s Sectoral Decarbonization Approach uses the 2DS scenario developed by the IEA (IEA 2016), which is compatible with the RCP 2.6 scenario. Therefore, in line with our commitment to SBTi, we are also using the RCP 2.6 scenario in our climate-related scenario analysis as the first scenario.</p> <p>Assumptions: "In RCP 2.6, radiative forcing peaks at 3.1 W/m2 before returning to 2.6 W/m2 by 2100, achieved through; a shift to renewable energy sources; CO2 remaining at today’s level until 2020, then decline and becoming negative in 2100; and CO2 concentrations peaking by 2050, followed by a modest decline to around 400 ppm by 2100."</p>
Physical climate scenarios   RCP 4.5	Company-wide	<Not Applicable>	<p>Second scenario is Moderate Emissions: Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2 degrees C by 2100.</p>
Physical climate scenarios   RCP 8.5	Company-wide	<Not Applicable>	<p>Third scenario is High Emissions: Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4 degrees C by 2100.</p>

C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

- 1) What future developments need to happen in the world to achieve at least a 2°C scenario under IEA 2DS?
- 2) What can Vestel do to achieve its net zero goal in its own operations by 2030? What can Vestel do to achieve its net zero goal in its entire value chain by 2050?
- 3) What trends will shape the future of company performance?

**Results of the climate-related scenario analysis with respect to the focal questions**

- 1) While transforming the energy sector is vital, it is not enough on its own. There needs to be a significant shift in consumer perception and participation as well as significant government policy changes to trigger change. We identified the following future developments to limit emissions under IEA 2DS: hydrogen technology, carbon capture and storage technology, creation of carbon sinks, heating technology that can replace natural gas in processes, and strict government policies to stop using fossil fuels.
- 2) Based on these developments, we identified road maps under 2DS scenario to reach our net zero goals by 2030 (in scope 1 & 2) and by 2050 (scope 1&2&3). Some of our actions steps are: electrification in the processes, investment in reforestation, investment in solar energy and purchase of RECs, increasing the energy efficiency both in the processes and the products, working with suppliers to decrease their emissions.
- 3) Under RCP 2.6 scenario we assumed a decline in fossil fuels, increase of biofuels, and reduction in methane. Therefore, we prepared a roadmap for our own energy mix. We are also looking at RCP 4.5 and RCP 8.5 scenarios to come up with alternative plans.

**C3.3**

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Climate-related Opportunities: More and more our B2B and B2C customers prefer more environmentally friendly products. Therefore, our strategy is to design home appliances that consume less energy, less water and use less plastics. This way we will serve the environmentally conscious customers and increase our market share.</p> <p>The Company envisages to increase product and customer satisfaction by introducing opportunities such as repair service and reuse of products and opening new business areas for models based on used products and rental.</p> <p>According to a recent survey, 85% of European retailers state that their sales of sustainable products have increased in the last five years and 92% say they will rise in the next five years. Vestel aims to provide cost advantages through reusable, repairable, durable products with high recycled content and to attract customers who are sensitive to these issues to Vestel.</p> <p>Climate-related Risk: Our biggest scope 3 emissions come from the use of our products. Therefore, in order to achieve net zero emissions by 2050 we need to design more energy efficient products that perform much better than the market average in EU which is our biggest market.</p>
Supply chain and/or value chain	Yes	<p>Our 2nd biggest scope 3 emissions (hence climate-related risk) come from products used by organization: purchased goods &amp; services and capital goods. Therefore, our strategy is to educate our critical suppliers and encourage them to submit Science Based Targets &amp; decrease their own emissions. It is known that working with suppliers which are much more aware of sustainability, advanced and open to continuous improvement is critical to achieving the set targets. To this end, the Vestel Supplier Monitoring and Development Program was launched to enable suppliers to effectively participate in sustainability processes, understand and improve their current levels. Within the scope of this program, which was designed in line with Vestel's and its suppliers' vision of achieving their sustainability goals and which aims to inform, evaluate and develop suppliers on sustainability, suppliers are expected to share their data on environmental, social and governance issues with Vestel through specified platforms and software and to participate in the evaluation studies to be carried out by independent evaluation institutions.</p>
Investment in R&D	Yes	<p>R&amp;D and innovation is our number 1 priority according to our materiality analysis. We derive our power from activities performed in our R&amp;D centers and from an R&amp;D team of approximately 655 people. According to identified climate-related opportunities, we have strategies as below:</p> <ul style="list-style-type: none"> <li>-Developing new products and services ensuring mitigation and adaptation to climate change such as air-conditioning solutions, solutions for renewable energy ecosystem, products with high energy and water efficiency, reducing virgin plastics raw materials and achieving a significant increase in turnover and growth opportunities with these products and services.</li> </ul>
Operations	Yes	<p>For a sustainable future, we need to trigger transformation across our entire value chain starting from our own operations. We are aware of our climate-related risks; and are leveraging the power of Industry 4.0 and automation to support the reduction of energy consumption through operational improvements and innovative products. With its vision of continuous improvement and digitalization, Vestel Beyaz Eşya continues its digital transformation efforts at full speed in order to make Vestel City the first production facility in Türkiye to complete the Industry 4.0 transformation. With the investments made, major progress has been achieved since 2015.</p> <p>We implement circular models to improve resource efficiency in production and reduce our environmental impact from products. Many design innovations are carried out to reduce the use of raw materials during the design phase, so that fewer parts are used where possible. In addition to design changes, efforts are being intensified to increase the use of recycled and renewable materials. During the production phase, care is taken to reduce the amount of rework and to use existing molds. During the transport phase, it is important to optimize the amount of packaging to fit the most products in the container and to ensure that the amount of packaging is at the optimum level for product and human health. Through after-sales repair, reuse and renewal activities, Vestel aims to extend the lifespan of Vestel products, facilitate their reparability, carry out R&amp;D activities to reduce the costs required to make them ready for reuse and thus contribute to the circular economy.</p>

**C3.4**

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Liabilities	<p>Capital Expenditures: Energy Efficiency In 2022, Vestel Beyaz Eşya launched a total of 15 main energy efficiency projects, saving 4,400 MWh of energy and TL 11 million. This is equivalent to the annual electricity consumption of approximately 1,300 people in Türkiye. On the other hand, Vestel Beyaz Eşya reduced its total electricity consumption per unit product by 0.3%, total natural gas consumption by 3.7% and total hot water consumption by 27% in 2022 compared to the previous year, thus avoiding a total of 2,010 tonnes of carbon emissions.</p> <p>Indirect costs: Our climate-related risks have influenced our insurance costs and energy costs. For example we are better prepared for the energy price fluctuations in the market.</p> <p>Direct costs: Our climate-related risks have influenced our financial planning of raw materials such as steel and virgin plastics.</p> <p>Liabilities: Our climate-related risks have influenced our regulation compliance costs such as R&amp;D spending in Eco-Design energy regulation.</p> <p>Revenues: As of 2022 27.4% of our revenue comes from products creating environmental benefits.</p>

**C3.5**

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?**

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Is this a science-based target?**

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

**Target ambition**

1.5°C aligned

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1  
Scope 2

**Scope 2 accounting method**

Location-based

**Scope 3 category(ies)**

<Not Applicable>

**Base year**

2021

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

16729.42

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

71902.45

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year total Scope 3 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

88631.87

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

<Not Applicable>

**Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

<Not Applicable>

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

42

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

51406.4846

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

16688

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

58295

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

74983

**Does this target cover any land-related emissions?**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**% of target achieved relative to base year [auto-calculated]**

36.6654901039654

**Target status in reporting year**

Underway

**Please explain target coverage and identify any exclusions**

Vestel Beyaz Eşya will submit its Science Based Targets in 2023 to SBTi. We are giving our Science Based Targets based on SBTi's 1.5 C aligned target ambition for our plants. Taking 2021 as base year, our target is to achieve our Science Based Targets by 2030.

According to SBTi; we need to reach 51,406.48 tCO2e in Scope 1&2 emissions by 2030 --> Scope 1 target: 9,703 tCO2e; Scope 2: 41,703 tCO2e by 2030. Going further on our Science Based Targets, we target becoming a net zero company in our scope 1&2 emissions by 2030. Since SBTi doesn't count carbon offsetting, we will analyze our options in carbon capture and storage options for our residual emissions.

Please note that we'll also give a Science Based Target for Scope 3; but currently we're working on the granularity of our Scope 3 emissions.

**Plan for achieving target, and progress made to the end of the reporting year**

1) Energy efficiency projects: In 2022, Vestel Beyaz Eşya launched a total of 15 main energy efficiency projects, saving 4,400 MWh of energy and TL 11 million. This is equivalent to the annual electricity consumption of approximately 1,300 people in Türkiye. On the other hand, Vestel Beyaz Eşya reduced its total electricity consumption per unit product by 0.3%, total natural gas consumption by 3.7% and total hot water consumption by 27% in 2022 compared to the previous year, thus avoiding a total of 2,010 tonnes of carbon emissions. We'll conduct another energy diagnosis (audit) in 2024 to identify more energy efficiency projects to be finalized between 2024-2030.

2) Exiting natural gas in the process: Current technology is not suited for going up to the high temperatures that we require in some of our processes. In 2022, we kept following the trends in the energy sector, however there was no available technology.

3) Renewable energy transition: We have a plan of producing our own renewable energy. Vestel Beyaz Eşya generated 175 MWh of electricity in 2022 with the 142 kWp solar panel installed on the roof of the facility that distributes energy to the refrigerator and washing machine factories. The Company plans to install 8,130 kWp solar panels on the roofs of the dryer factory and additional buildings, generating 11,860 MWh of electricity per year. Solar energy investments are expected to continue to increase in the coming years. We planned the purchase of IRECs to decrease scope 2 emissions from the purchased electricity. We are planning on purchasing IRECs after the installation of solar panels, which is planned to be completed within 2 years.

4) Carbon capture and storage: Since SBTi doesn't count carbon offsetting, we will analyze our options in carbon capture and storage options for our residual emissions.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

**Target reference number**

Abs 2

**Is this a science-based target?**

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

**Target ambition**

Well-below 2°C aligned

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

Category 11: Use of sold products

**Base year**

2021

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

13667455.02

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year total Scope 3 emissions covered by target (metric tons CO2e)**

13667455.02

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

13667455.02

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

<Not Applicable>

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

<Not Applicable>

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

<Not Applicable>



**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

93

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

<Not Applicable>

**Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

93

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

93

**Target year**

2030

**Targeted reduction from base year (%)**

25

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

10250591.265

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

12125236.63

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

12125236.63

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

12125236.63

**Does this target cover any land-related emissions?**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**% of target achieved relative to base year [auto-calculated]**

45.1354956059698

**Target status in reporting year**

Underway

**Please explain target coverage and identify any exclusions**

Target covers 93% of Vestel Beyaz Eşya's Scope 3 emissions.

**Plan for achieving target, and progress made to the end of the reporting year**

In order to decrease Scope 3, Category 11: Use of sold products emissions, Vestel Beyaz Eşya carries out number of energy efficiency improvements which are presented below:

Designing products with the highest energy efficiency class in the market, Vestel Beyaz Eşya offers consumers refrigerators, washing machines, tumble dryers, dishwashers, cooking appliances and air-conditioners that are resource efficient and user-friendly thanks to the technologies it has developed. The Company designs tumble dryers with weight sensors. Thus, the most efficient drying mode is selected by determining the amount of load in the machine and energy saving is achieved. Ovens with HeatWrap technology can simultaneously cook the meals in 5 different trays evenly, while induction hobs provide much higher heat efficiency than gas hobs.

Designed and manufactured by Vestel Beyaz Eşya, which continuously increases the energy efficiency of its products; · The washing machines are 40% more energy efficient than the A energy class and consume the least amount of energy known in the market. In addition, thanks to the load sensing technology, both energy and water consumption are kept at optimum levels according to the amount of load detected. · A energy class (A+++ - 30% class according to the old regulations) dishwashers and C energy class (A+++ - 10% according to the old regulations) dishwashers as per the new energy regulations stand out as products with high energy efficiency. · Tumble dryers have the lowest energy class known in the market with an energy value of A++++ -20%. · Vestel Beyaz Eşya develops A Class products that consume approximately 3 times less energy than the best-selling refrigerators in the market.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

---

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Net-zero target(s)

---

## C4.2c

**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Int1

**Target year for achieving net zero**

2050

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Please explain target coverage and identify any exclusions**

In line with the global agenda, Vestel Beyaz Eşya aims to reach net zero emissions by 2050, first in its own operations and then in its entire value chain. Moving towards becoming a climate-friendly company by promoting low-carbon technologies, Vestel Beyaz Eşya took an important step towards achieving net zero in 2021 by issuing a commitment letter to set Science Based Targets Initiative (SBTi). To that end, the Company aims to switch to technologies that cause less greenhouse gas emissions from production, increase renewable energy investments and manufacture products with high energy efficiency, less water consumption, less carbon emissions and a low environmental impact. As part of SBTi efforts, it started a detailed process to collect data in order to calculate Scope 3 emissions in 2021. Accordingly, the Company will draft a plan for both operations and the decarbonization of the value chain.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

- 1) Reforestation activities to create carbon sinks
- 2) Investment in nature based solutions for carbon renewal
- 3 ) Technological investments in carbon capture/sequestration

**Planned actions to mitigate emissions beyond your value chain (optional)**

We have started "Vestel Supplier Monitoring and Development Programme" in 2022 to engage our suppliers to submit their own Science Based Targets.

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	15	1986
Not to be implemented		

**C4.3b**

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Energy efficiency in production processes	Process optimization
---	----------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

139

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

831058

**Investment required (unit currency – as specified in C0.4)**

3120000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

The process improvement with the implementation of 2 projects aimed at reducing air consumption in mechanical manufacturing and assembly lines has resulted in a decrease in electricity consumption

**Initiative category & Initiative type**

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	---

**Estimated annual CO2e savings (metric tonnes CO2e)**

15

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

95959

**Investment required (unit currency – as specified in C0.4)**

605000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

The real-time monitoring project for natural gas combustion efficiency has led to a reduction in natural gas consumption

**Initiative category & Initiative type**

Energy efficiency in production processes	Process optimization
---	----------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

757

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

4520052

**Investment required (unit currency – as specified in C0.4)**

6121500

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Six different projects have been carried out in the field of process improvement. The objectives of these projects are to reduce electricity consumption and decrease hot water consumption. Examples of these projects include using well water for compressor cooling, installing vacuum regulators on thermoforming machines, and adding timers to the hot water used for heating fixtures.

**Initiative category & Initiative type**

Energy efficiency in production processes	Machine/equipment replacement
---	-------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

953

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

5680285

**Investment required (unit currency – as specified in C0.4)**

20053600

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

The electricity consumption has been reduced through a project that involves switching the chillers in the factory to the freecooling mode during winter, enabling cooling to be achieved by utilizing the external ambient temperature. Efficiency has been improved through the investment in new technology. Furthermore, efficiency has been increased through the projects of Central Vacuum System Pump Cleaning and Replacement of Filter Types.

**Initiative category & Initiative type**

Energy efficiency in production processes	Automation
---	------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

105

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

626699

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

&lt;1 year

**Estimated lifetime of the initiative**

11-15 years

**Comment**

By making software changes to the conveyor belts, they have been modified to stop when there is no operation and only run when needed, resulting in a 65% energy savings.

**Initiative category & Initiative type**

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	---

**Estimated annual CO2e savings (metric tonnes CO2e)**

17

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

98092

**Investment required (unit currency – as specified in C0.4)**

16500

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

The projects have been carried out in Vestel Beyaz Eşya factories with the aim of improving energy efficiency in factory buildings. Installation of sensor-based lighting in rooms and automatic shutdown of production fans when belts are manually taken off projects can be shown as example to these projects.

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	We invest in energy efficiency projects to drive emission reductions in scope 1 & 2 emissions. We have a dedicated budget for energy efficiency projects year-on-year. In 2022, we launched a total of 15 main energy efficiency projects, saving 4,400 MWh of energy with 29.9 million TRY of CAPEX. We'll conduct another energy diagnosis (audit) in 2024 to identify more energy efficiency projects to be finalized between 2024-2030.
Dedicated budget for low-carbon product R&D	As a technology company, R&D and innovation are critical to both developing new products and transforming operations. We strive to develop products with reduced environmental impact and high savings through R&D and innovation studies, and we devote a significant part of the R&D budget to developing smart products that create benefits. We allocate approximately 1% of our revenues to R&D activities every year. In 2022, we spent a total of 294,279,000 TRY for R&D activities. A big part of this R&D budget goes to designing energy efficient products which use less raw materials or recycled materials to decrease carbon emissions in scope 3. For instance, Vestel Beyaz Eşya has a washing machine product family that is even more efficient than energy class A, and Twinjet washing machine with the "lowest known water consumption".

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.**

**Level of aggregation**

Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**

Other, please specify (We have our own classification based on energy efficiency averages of EU and Turkey markets)

**Type of product(s) or service(s)**

Other	Other, please specify (Home appliances which consume less energy than European and Turkish market averages)
-------	---

**Description of product(s) or service(s)**

Home appliances, sold in the EU and Turkey, that are more energy efficient than the market average are considered low carbon products. The markets' averages are taken from GFK EU25 and GFK Turkey market research reports.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

Yes

**Methodology used to calculate avoided emissions**

Other, please specify (We take GFK EU 25 and Turkey market sales data. We get the information of what energy class is sold and how many percent (For example, x % of dishwasher sales was B class). Then, we find the weighted average of energy consumption of the markets.)

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

Use stage

**Functional unit used**

kwh consumption of home appliances are used to calculate emissions

**Reference product/service or baseline scenario used**

We take GFK EU 25 and Turkey market sales data. We get the information of what energy class is sold and how many percent (For example, x % of dishwasher unit sales was B class, etc). Every energy class has an EEI value. We find the weighted average of EEI value of the market for each of our product category (refrigerators, washing machines, etc). This EEI value shows us the average kwh energy consumption of the markets. We take this average as our baseline scenario.

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

Use stage

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

22943

**Explain your calculation of avoided emissions, including any assumptions**

We take GFK EU 25 and Turkey market sales data on a yearly basis. We get the information of what energy class is sold by how many percent (For example, x % of dishwasher unit sales was B class, etc). Every energy class has an EEI (energy efficiency index) value. We find the weighted average EEI value of the market for each of our product category (refrigerators, washing machines, etc). This EEI value shows us the average kwh energy consumption of the EU and TR markets. We take this average as our baseline scenario. If our product shows a better energy efficiency performance than this average, we consider it as a low-carbon product. We calculate the avoided emissions as: Market average kwh - Vestel Beyaz Eşya product kwh = kwh avoided. We add all kwh avoided in each product category and come up with a final kwh avoided. We then multiply this kwh with electricity emission factor to get the avoided emissions.

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

30

**C5. Emissions methodology**

## C5.1

---

### (C5.1) Is this your first year of reporting emissions data to CDP?

No

## C5.1a

---

### (C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

#### Row 1

##### Has there been a structural change?

No

##### Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

##### Details of structural change(s), including completion dates

<Not Applicable>

## C5.1b

---

### (C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

## C5.2

---

### (C5.2) Provide your base year and base year emissions.

#### Scope 1

##### Base year start

January 1 2021

##### Base year end

December 31 2021

##### Base year emissions (metric tons CO2e)

16729.42

##### Comment

Calculated based on ISO 14064 methodology

#### Scope 2 (location-based)

##### Base year start

January 1 2021

##### Base year end

December 31 2021

##### Base year emissions (metric tons CO2e)

71902.45

##### Comment

Calculated based on ISO 14064 methodology. Purchased electricity and hot water.

#### Scope 2 (market-based)

##### Base year start

January 1 2021

##### Base year end

December 31 2021

##### Base year emissions (metric tons CO2e)

0

##### Comment

No market-based Scope 2 emissions.

### Scope 3 category 1: Purchased goods and services

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

778959.9

**Comment**

Calculated based on ISO 14064 methodology. Raw materials have been calculated using their weight x emissions factor. The other direct material purchases have been calculated based on spending method. Please note that the verification statement only covers raw material purchases. We added all direct purchased goods and services to increase completeness level of our GHG emission report.

### Scope 3 category 2: Capital goods

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

639.09

**Comment**

Calculated based on ISO 14064 methodology. Capital goods purchases USD spending in 2021 have been entered to Quantis tool to get the emission data.

### Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0

**Comment**

No fuel-and-energy-related activities.

### Scope 3 category 4: Upstream transportation and distribution

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

52156.3

**Comment**

Calculated based on ISO 14064 methodology.

### Scope 3 category 5: Waste generated in operations

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

996.22

**Comment**

Calculated based on ISO 14064 methodology.

### Scope 3 category 6: Business travel

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

172.48

**Comment**

Calculated based on ISO 14064 methodology. Business travels by air and road are calculated.



**Scope 3 category 7: Employee commuting**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

7262.76

**Comment**

Calculated based on ISO 14064 methodology.

**Scope 3 category 8: Upstream leased assets**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0.394

**Comment**

N/A

**Scope 3 category 9: Downstream transportation and distribution**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

59878.16

**Comment**

Calculated based on ISO 14064 methodology.

**Scope 3 category 10: Processing of sold products**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3 category 11: Use of sold products**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

13667455.02

**Comment**

Calculated based on ISO 14064 methodology.

**Scope 3 category 12: End of life treatment of sold products**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

10237.92

**Comment**

Calculated based on ISO 14064 methodology.

**Scope 3 category 13: Downstream leased assets**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3 category 14: Franchises**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

87094.34

**Comment**

**Scope 3 category 15: Investments**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3: Other (upstream)**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3: Other (downstream)**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**C5.3**

---

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Other, please specify (Ecoinvent version 3.6 )

**C6. Emissions data**

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**C6.1**

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

16688.18

**Start date**

January 1 2022

**End date**

December 31 2022

**Comment**

Refrigerant gas leaks, natural gas, diesel, gasoline, LPG

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

16729.42

**Start date**

January 1 2021

**End date**

December 31 2021

**Comment**

Refrigerant gas leaks, natural gas, diesel, gasoline, LPG

**C6.2**

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

**Comment**

Vestel Beyaz Eşya has no operations on where market-based electricity emission factor is available from the suppliers.

For scope 2, heating energy (hot water) carbon emission factors, Vestel Beyaz Eşya uses Ecoinvent version 3.2 database. For electricity emission factor, Ecoinvent v3.6 Turkey electricity mix data is used. The data is calculated in CO2nnectopro and 3pmetrics software with IPCC calculation methodology. After that, it has been verified by accredited third party independent body.

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

58294.74

**Scope 2, market-based (if applicable)**

<Not Applicable>

**Start date**

January 1 2022

**End date**

December 31 2022

**Comment**

Purchased electricity from the grid and hot water energy purchased from Manisa Organized Industrial Zone.

**Past year 1**

**Scope 2, location-based**

71902.45

**Scope 2, market-based (if applicable)**

<Not Applicable>

**Start date**

January 1 2021

**End date**

December 31 2021

**Comment**

Purchased electricity from the grid and hot water energy purchased from Manisa Organized Industrial Zone

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

663286.77

**Emissions calculation methodology**

Spend-based method  
Site-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

Calculated based on ISO 14064 methodology. Purchases have been calculated based on spending method. Please note that the verification statement only covers raw material purchases. We added all direct purchased goods and services to increase completeness level of our GHG emission report.

**Capital goods**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

255.01

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

Capital goods purchases USD spending in 2022 have been entered to Quantis tool to get the emission data.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

We take this into consideration within scope 2 emissions

**Upstream transportation and distribution**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

68565.41

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Please explain**

**Waste generated in operations**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

173.18

**Emissions calculation methodology**

Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Please explain**

**Business travel**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

424.76

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

**Employee commuting**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

4952.81

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

**Upstream leased assets****Evaluation status**

Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

We consider our emissions from the leased assets in our scope 1 & 2 emissions as we have operational control. We don't have any other leased assets

**Downstream transportation and distribution****Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

52219.44

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners****Please explain****Processing of sold products****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

We don't have any products subject to additional processing.

**Use of sold products****Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

12125236.63

**Emissions calculation methodology**

Other, please specify (Other, please specify (Electricity consumption of the products x electricity emission factor x 10 years))

**Percentage of emissions calculated using data obtained from suppliers or value chain partners****Please explain**

Other, please specify (Electricity/Natural gas consumption of the products x electricity/natural gas emission factor x 10 years)

**End of life treatment of sold products****Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

14140.79

**Emissions calculation methodology**

Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

**Downstream leased assets****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

We don't have any assets owned by us and leased to other entities in the reporting year.

**Franchises****Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

88998.85

**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Please explain****Investments****Evaluation status**

Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

We didn't have operation of investments (including equity and debt investments and project finance) in the reporting year.

**Other (upstream)****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

All emissions are evaluated as above

**Other (downstream)****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

All emissions are evaluated as above

C6.5a

---

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

**Past year 1**

**Start date**

January 1 2021

**End date**

December 31 2021

**Scope 3: Purchased goods and services (metric tons CO2e)**

778959.9

**Scope 3: Capital goods (metric tons CO2e)**

639.09

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

0

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

52156.3

**Scope 3: Waste generated in operations (metric tons CO2e)**

996.22

**Scope 3: Business travel (metric tons CO2e)**

172.48

**Scope 3: Employee commuting (metric tons CO2e)**

7262.76

**Scope 3: Upstream leased assets (metric tons CO2e)**

0.394

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

59878.16

**Scope 3: Processing of sold products (metric tons CO2e)**

0

**Scope 3: Use of sold products (metric tons CO2e)**

13667455.02

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

10237.92

**Scope 3: Downstream leased assets (metric tons CO2e)**

0

**Scope 3: Franchises (metric tons CO2e)**

87094.34

**Scope 3: Investments (metric tons CO2e)**

0

**Scope 3: Other (upstream) (metric tons CO2e)**

0

**Scope 3: Other (downstream) (metric tons CO2e)**

0

**Comment**

C6.7

---

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

---



(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.0000239

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

74982.89

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

31386969000

**Scope 2 figure used**

Location-based

**% change from previous year**

56

**Direction of change**

Decreased

**Reason(s) for change**

Change in renewable energy consumption

Change in revenue

**Please explain**

As a result of energy reduction projects and increase in revenue, the intensity figure has decreased.

**Intensity figure**

0.00675

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

74982.89

**Metric denominator**

unit of production

**Metric denominator: Unit total**

11101655

**Scope 2 figure used**

Location-based

**% change from previous year**

3.91

**Direction of change**

Decreased

**Reason(s) for change**

Change in renewable energy consumption

Other emissions reduction activities

**Please explain**

As a result of energy reduction projects the intensity figure has decreased.

**C7. Emissions breakdowns**

**C7.1**

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

**C7.1a**

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	16662.903	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	11.727	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	13.548	IPCC Fifth Assessment Report (AR5 - 100 year)

## C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Turkey	16688.18

## C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

### C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
stationary combustion	15856.1
mobile combustion	241.2
fugitive emissions	590.88

## C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	58294.74	0

## C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

### C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Refrigerator Plant	24911	0
Washing Machine Plant	10084	
Dishwasher Plant	5870	
Tumble Dryer Plant	5082	
Air Conditioner & Water Heater Plant	1194	
Cooking Appliances Plant	7240	
Administration Buildings	3914	

## C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

## C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities	13286.96	Decreased	15.1	2021 Scope1&2 emission - 2022 Scope 1&2 = change in emission
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	78036.79	78036.79
Consumption of purchased or acquired electricity	<Not Applicable>	0	121530.28	121530.28
Consumption of purchased or acquired heat	<Not Applicable>	0	13149.65	13149.65
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	175	<Not Applicable>	175
Total energy consumption	<Not Applicable>	175	212716.72	212891.72

C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Sustainable biomass**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other biomass**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Coal****Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment****Oil****Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment****Gas****Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

77039.01

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

77039.01

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Natural Gas is used in heating as well as some of the processes where high temperatures are required.

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

997.78

**MWh fuel consumed for self-generation of electricity**

997.78

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Diesel is used for the generation of electricity in generators and in transportation in large forklifts.

**Total fuel**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

78036.79

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**C8.2d**

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	175	175	175	175
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

**C8.2g**

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

**Country/area**

Turkey

**Consumption of purchased electricity (MWh)**

121530.28

**Consumption of self-generated electricity (MWh)**

0

**Is this electricity consumption excluded from your RE100 commitment?**

<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**

13149.65

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

134679.93

## C9. Additional metrics

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### C9.1

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**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Waste

**Metric value**

46079

**Metric numerator**

Total waste (tonnes)

**Metric denominator (intensity metric only)**

**% change from previous year**

1.48

**Direction of change**

Decreased

**Please explain**

Under our zero waste approach, we have recycled or recovered all production-related waste since 2019. As per the Zero Waste Regulation, we ensure that the waste from our offices is sorted in an appropriate way. In 2020, we digitalized the environment and zero waste trainings that could not be offered due to the pandemic in order to reach all our employees. As part of our work, we were granted the Zero Waste Certificate in 2021. From a circular economy perspective, we produced some of our waste bins using production-based waste such as washing machine drums and refrigerator inner trays. We also make use of our food remnants under the Zero Waste practice. In 2022, 1,747 kg of compost obtained from waste was used in Vestel's own green areas, while 99.4 tonnes of food remnants was donated to stray animals.

The Company conducts regular audits of waste companies to ensure that waste is recycled or recovered in an appropriate way. Waste is monitored in all processes to reduce environmental pollution, while recycling and recovery are supported.

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**Description**

Energy usage

**Metric value**

212891

**Metric numerator**

Total Energy Consumption (MWh)

**Metric denominator (intensity metric only)**

**% change from previous year**

0.5

**Direction of change**

Increased

**Please explain**

Leveraging the power of Industry 4.0 and automation, Vestel Beyaz Eşya actively promotes energy consumption reduction through operational enhancements and innovative product development, while simultaneously prioritizing the efficient utilization of scarce natural resources in its production processes and implements circular models to minimize the environmental impact of its products.

Vestel instantaneously monitors the consumption of all energy points online at the Data Monitoring and Control Center of Vestel Beyaz Eşya, and keeps energy consumption under control in the light of the data obtained. Thanks to the Data Monitoring and Control Center, Vestel achieved energy savings of TL 6.2 million in 2022.

In 2022, Vestel Beyaz Eşya launched a total of 15 main energy efficiency projects, saving 4,400 MWh of energy and TL 11 million. This is equivalent to the annual electricity consumption of approximately 1,300 people in Türkiye. On the other hand, Vestel Beyaz Eşya reduced its total electricity consumption per unit product by 0.3%, total natural gas consumption by 3.7% and total hot water consumption by 27% in 2022 compared to the previous year, thus avoiding a total of 2,010 tonnes of carbon emissions.

In 2022, Vestel Beyaz Eşya's annual production capacity increased from 13.6 million units to 15.6 million units with additional capacity investments in the refrigerator, cooking appliances, dishwasher and washing machine factories. As a result, there has been a slight increase in energy consumption in 2022.

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## C10. Verification

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### C10.1

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**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

**C10.1a**

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf

**Page/ section reference**

VESTEL BEYAZ EŞYA 2022 INTEGRATED ANNUAL REPORT REPORTING GUIDELINE (Page 187 - 197)  
LIMITED ASSURANCE REPORT (Page 198 - 201)

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Vestel Doğrulama Beyanı - 14064\_2018 - en pdf.pdf  
Vestel ISO 14064-2018 Assessment Report\_EN.pdf

**Page/ section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**C10.1b**



(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Vestel Doğrulama Beyanı - 14046\_2014 - en pdf.pdf

Vestel ISO 14064-2018 Assessment Report\_EN.pdf

Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf

**Page/ section reference**

VESTEL BEYAZ EŞYA 2022 INTEGRATED ANNUAL REPORT REPORTING GUIDELINE (Page 187 - 197)

LIMITED ASSURANCE REPORT (Page 198 - 201)

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Vestel Doğrulama Beyanı - 14064\_2018 - en pdf.pdf

Vestel ISO 14064-2018 Assessment Report\_EN.pdf

**Page/ section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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C10.1c

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**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope 3 category**

Scope 3: Use of sold products

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Vestel Doğrulama Beyanı - 14064\_2018 - en pdf.pdf

Vestel ISO 14064-2018 Assessment Report\_EN.pdf

Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf

**Page/section reference**

VESTEL BEYAZ EŞYA 2022 INTEGRATED ANNUAL REPORT REPORTING GUIDELINE (Page 187 - 197)

LIMITED ASSURANCE REPORT (Page 198 - 201)

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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**Scope 3 category**

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Upstream transportation and distribution

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Downstream transportation and distribution

Scope 3: Use of sold products

Scope 3: End-of-life treatment of sold products

Scope 3: Franchises

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Vestel Doğrulama Beyanı - 14064\_2018 - en pdf.pdf

Vestel ISO 14064-2018 Assessment Report\_EN.pdf

**Page/section reference**

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**C10.2**

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

**C10.2a**

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**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	We have performed our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 - "Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("ISAE 3000" Revised) and International Standard on Assurance Engagements 3410 - "Standard on Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410") issued by the International Auditing and Assurance Standards Board.	The verified data related to energy consumption are listed below:  » Natural Gas (MWh) » Diesel (MWh) » Electricity (MWh) » Hot Water (MWh) » Renewable Energy (MWh)
C9. Additional metrics	Waste data	We have performed our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 - "Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("ISAE 3000" Revised) and International Standard on Assurance Engagements 3410 - "Standard on Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410") issued by the International Auditing and Assurance Standards Board.	The verified data related to waste are listed below:  Total Hazardous Waste (tonnes) » Hazardous Waste Recovered for Energy Generation (tonnes) » Recovered Hazardous Waste (tonnes) » Hazardous Waste Sent to Landfill/Solid Waste Site (tonnes) · Total Non-Hazardous Waste (tonnes) » Non-hazardous Waste Recovered for Energy Generation (tonnes) » Recycled Non-Hazardous Waste (tonnes) » Non-Hazardous Waste Sent to Landfill (tonnes) · Total Waste (tonnes) » Total Recycled Waste (tonnes) » Total Waste Disposed (tonnes) » Total Waste Sent to Landfill (tonnes) » Recyclability Rate of Waste (%)

**C11. Carbon pricing**

**C11.1**

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, but we anticipate being regulated in the next three years

**C11.1d**

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

We are not regulated by carbon pricing systems as of 2022; however, we anticipate that there could be a change in regulation. To mitigate this regulation risk, we calculate the financial impact. Then we take action to reduce our carbon footprint. Since 2016, our carbon footprint has been calculated and it is verified by third party verification bodies since 2018. Now we are aiming to take more crucial actions. Preparing and publishing an official carbon policy has been planned.

We're also planning on investing in solar energy and purchasing IRECs for the remaining amount to reduce our Scope 2 emissions. Vestel Beyaz Eşya generated 175 MWh of electricity in 2022 with the 142 kWp solar panel installed on the roof of the facility that distributes energy to the refrigerator and washing machine factories. The Company plans to install 8,130 kWp solar panels on the roofs of the dryer factory and additional buildings, generating 11,860 MWh of electricity per year. Solar energy investments are expected to continue to increase in the coming years.

We have energy efficiency projects in place. We're planning on investing in carbon capture and storage project in the future.

**C11.2**

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**(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?**

No

**C11.3**

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**(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

**C12. Engagement**

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**C12.1**

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers/clients

**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Run an engagement campaign to educate suppliers about climate change

**% of suppliers by number**

5

**% total procurement spend (direct and indirect)**

80

**% of supplier-related Scope 3 emissions as reported in C6.5**

80

**Rationale for the coverage of your engagement**

We identify suppliers that have a critical impact on our business processes. Our critical suppliers are high volume suppliers, critical material suppliers, non-substitutable suppliers, suppliers identified as a result of Pareto Analysis. Suppliers with critical impact accounted for 80% of our 2022 purchasing turnover. We target these suppliers in our engagement strategy.

**Impact of engagement, including measures of success**

ESG audits within the Vestel Supplier Monitoring and Development Program started in Q4 of 2022. After the ESG audit, "ESG audit score" will be calculated for each supplier in line with the findings determined in the audit. The calculation will be made out of 100 points, and companies that score 75 and above and have no critical non-compliance will be deemed successful in the audit.

Sustainability trainings will take place in H2 of 2023.

**Comment**

Vestel Supplier Monitoring and Development Program was launched to enable suppliers to effectively participate in sustainability processes, understand and improve their current levels. Within the scope of this program, which was designed in line with Vestel's and its suppliers' vision of achieving their sustainability goals and which aims to inform, evaluate and develop suppliers on sustainability, suppliers are expected to share their data on environmental, social and governance issues with Vestel through specified platforms and software and to participate in the evaluation studies to be carried out by independent evaluation institutions.

Vestel Supplier Monitoring and Development Program consists of four stages:

1. Training
2. Sustainability self-assessment questionnaire
3. Input and validation of environmental and social data
4. Audit Following these processes, supplier sustainability scores are determined and reflected on supplier scorecards.

In 2022, a total of 10 suppliers completed the necessary training and were subjected to audits as part of the Vestel Supplier Monitoring and Development Program. 80% of the audited supplier companies are in the medium risk category of sustainability level, 10% are in the good category, and 10% are in the acceptable risk level category. All companies have successfully completed the program. The Company aims to carry out the same program with the rest of the suppliers in 2023. In 2022, Vestel Beyaz Eşya did not have any suppliers with which relations were terminated due to any social non-compliance. Activities required for improving the scope of ESG audits for all critical suppliers are followed by the Supply Chain Working Group.

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**C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement & Details of engagement**

Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy
-------------------------------	--

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

0

**Please explain the rationale for selecting this group of customers and scope of engagement**

We work with major home appliances brands as their ODM partner. We share information with our B2B customers regarding our climate change performance and strategy on a yearly basis. We also share information with our all of our customers through our integrated report:

[http://vesbe.vestelinvestorrelations.com/en/\\_assets/pdf/Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf](http://vesbe.vestelinvestorrelations.com/en/_assets/pdf/Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf) (Pages 32, 45, 106, 107, 108, 184)

**Impact of engagement, including measures of success**

Measures of success: Customer engagement & satisfaction

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**C12.2**

**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, climate-related requirements are included in our supplier contracts

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**C12.2a**

**(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

**Climate-related requirement**

Complying with regulatory requirements

**Description of this climate related requirement**

According to our Supplier Code of Conduct, below clauses must be agreed and signed to become our supplier:

- All relevant laws, regulations and legislation regarding the environment (including all laws on air emissions, wastes, wastewater and chemicals) should be abided by.
- Efforts should be made to reduce carbon emissions and the consumption of natural resources and to increase the amount of recycled waste.

Supplier Code of Conduct is a part of our purchasing contracts.

The Vestel Supplier Monitoring and Development Programme was implemented to enable suppliers to be effectively involved in sustainability processes and to understand and improve their current status. Vestel Supplier Monitoring and Development Program consists of 4 stages (training, sustainability self-assessment questionnaire, entry and verification of environmental and social data, and business ethics audit).

**% suppliers by procurement spend that have to comply with this climate-related requirement**

100

**% suppliers by procurement spend in compliance with this climate-related requirement**

100

**Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment  
Off-site third-party verification

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

**C12.3**

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

[http://vesbe.vestelinvestorrelations.com/en/\\_assets/pdf/Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf](http://vesbe.vestelinvestorrelations.com/en/_assets/pdf/Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf) (Page 107)

Climate Crisis and Net Zero Targets We aim to achieve net zero emissions by 2050 and are working on our decarbonization plan as part of our commitment to set Science Based Targets (SBTi). It is critically important to reach net zero in greenhouse gas emissions as quickly as possible to curb the climate crisis and keep global warming below 1.5 °C by 2050. To that end, the net zero targets declared by countries gain significance. The European Union aims to secure net zero emissions by 2050 through the EU Green Deal. As part of this target, it will transform its trading sectors. In addition to the EU, the USA and China, which are responsible for a considerable portion of greenhouse gas emissions today, have committed to reach net zero emissions by 2050 and 2060, respectively. Turkey, on the other hand, ratified the Paris Agreement in 2021 and set a net zero emission target by 2053. The private sector plays a major role in reaching these targets declared by countries. Considering the number of employees, annual production capacity and the impact of global supply chains, the potential effectiveness of private sector action is evident. In line with the global agenda, we aim to reach net zero emissions by 2050, first in our own operations and then throughout our entire value chain. By making low-carbon technologies more commonplace, we are on our way to becoming a climate-friendly company. In 2021, we submitted a letter of commitment to set Science Based Targets (SBTi), a major step in reaching net zero emissions. To that end, we aim to switch to technologies that cause less greenhouse gas emissions from production, increase renewable energy investments and manufacture products with high energy efficiency, less water consumption, less carbon emissions and a low environmental impact. As part of SBTi efforts, we started a detailed process to collect data in order to calculate Scope 3 emissions in 2021. Accordingly, we will draft a plan for both operations and the decarbonization of the value chain.

[http://vesbe.vestelinvestorrelations.com/en/\\_assets/pdf/Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf](http://vesbe.vestelinvestorrelations.com/en/_assets/pdf/Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf) (Page 32)

Position Statement: A Net Zero Company Applying innovative business models and adopting the circular economy for transition to an economy based on net zero emissions:

- Achieving net zero emissions, first in our own operations and then in our entire value chain
- Introducing circular models that improve our impact on natural resources

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

Vestel Beyaz Eşya closely follows developments within the scope of the European Union (EU) Green Deal. Within this framework, it contributes to policy development processes by taking part in the activities of TUSIAD EU Green Deal Task Force. Vestel Beyaz Eşya assumed the chairmanship of the TOBB DTM Environment Commission in 2020. In this context, the Company actively followed the harmonization efforts of the Ministry of Environment and Urbanization of the Republic of Türkiye on the environmental legislation, especially the Recycling Participation Fee (GEKAP), and took part in the policy-making processes. Vestel Beyaz Eşya plays an active role in the working groups of various organizations, especially TURKBESD Environment Working Group. It also became a member of APPLIA's Consortium on Microplastics Release in 2021. Vestel CEO is a board member of TURKTRADE.

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**C12.3b**

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**(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**

Other, please specify (APPLIA (Home Appliance Europe))

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

N/A

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

891902

**Describe the aim of your organization's funding**

Trade association membership and participation fees

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (White Goods Manufacturers' Association of Türkiye (TURKBESD))

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

N/A

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

390423

**Describe the aim of your organization's funding**

Trade association membership and participation fees

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (Air-Conditioning and Refrigeration Manufacturers' Association (İSKİD))

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

N/A

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

35839

**Describe the aim of your organization's funding**

Trade association membership and participation fees

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports, incorporating the TCFD recommendations

**Status**

Complete

**Attach the document**

Vestel-Beyaz-Esya-Integrated-Annual-Report-2022.pdf

**Page/Section reference**

Emission Figures & Targets: A Net Zero Company & Products and Solutions that Create Benefits: Page: 106-124

Governance: Page 38

Strategy: Page 32-33

Risks & Opportunities: Page 42

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

**Comment**

**C12.5**

**(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Global Reporting Initiative (GRI) Community Member Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact	As a signatory to the United Nations Global Compact, we continuously increase our contribution to the Sustainable Development Goals set by the United Nations and work towards building a sustainable future.  Vestel's integrated report has been prepared in accordance with the GRI Standards "Core" category and is based on the Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). The report also encompasses Vestel's progress achieved under the United Nations Global Compact (UNGC) and its contributions to the United Nations (UN) Sustainable Development Goals.  Recognizing that the climate crisis is the most important short, medium and longterm risk threatening humanity and its future, Vestel addresses the actual and potential risks posed by the climate crisis on human life and the business world, and the implications of these risks on its business cycle within the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

**C15. Biodiversity**

**C15.1**

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Vestel's CEO has the highest level of oversight regarding sustainability including biodiversity-related issues. Also, Vestel Sustainability Committee oversees biodiversity-related issues. In addition, executive management is responsible from taking action should any biodiversity-related issues arise.	<Not Applicable>

**C15.2**

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Other, please specify (Environmental Policy commitment: We will protect the ecosystem with the natural resource and environmental management strategies and manage our impacts on biodiversity in line with sustainable development goals.)	<Not Applicable>

**C15.3**



**(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?**

**Impacts on biodiversity**

**Indicate whether your organization undertakes this type of assessment**

No, but we plan to within the next two years

**Value chain stage(s) covered**

<Not Applicable>

**Portfolio activity**

<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**

<Not Applicable>

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**

<Not Applicable>

**Dependencies on biodiversity**

**Indicate whether your organization undertakes this type of assessment**

No, but we plan to within the next two years

**Value chain stage(s) covered**

<Not Applicable>

**Portfolio activity**

<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**

<Not Applicable>

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**

<Not Applicable>

**C15.4**

**(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?**

No

**C15.5**

**(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

**C15.6**

**(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

**C15.7**

**(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance	Biodiversity - Page: 179 Governance - Page: 38-39 vesbe_entegre_faaliyet_raporu_2022_yeni.pdf

**C16. Signoff**

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please see a net zero company section for more information on our climate-related actions in our Integrated Report.

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C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Sustainability Manager	Environment/Sustainability manager

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	31387

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
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SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms