C0. Introduction

C0.1

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

Vestel Elektronik Sanayi ve Ticaret AŞ is a global group of companies, consisting of a total of 25 companies, 15 of which are overseas companies, operating in the areas of electronics, major household appliances, digital and mobile products. This CDP report scope covers Vestel Elektronik (electronics) manufacturing plants comprised of six plants (electronic card, EPS, plastic, sub-assembly, High-End, and digital plant) which are located in the Manisa Organized Industrial Zone. Vestel Elektronik (electronics) plants manufacture TVs, Visual Solutions (VS) and electronic cards.

As Vestel Elektronik, we meet different consumers in more than 160 countries with a wide product range based on our competencies in technology-design development and product customization. With over 7,000 employees, production capacity built on technological superiority and contribution to the country's exports, we represent an important source of power for the Turkish economy.

As one of the world's leading original design manufacturers (ODMs) in consumer electronics, we are one of the top three LCD TV manufacturers in Europe. We are among the most well-known brands in Turkey, and are the largest manufacturer in the Turkish TV market. As one of the leading technology companies in Turkey and across the globe, we continue to work with the aim of completing the Industry 4.0 transformation and making a transition to fully-automated smart plants. Backed by our competencies in artificial intelligence (AI) software and the internet of things (IoT), we also play a leading role in smart city and smart home platforms. In the global market, we also engage in branded product sales through acquired regional brands and licensed global brands in addition to our ODM based sales. Our collaboration with leading global brands, such as with Toshiba in TVs, through our brand licensing agreements reinforce our position in the European market. Boasting one of the most extensive sales and after-sales service networks in Turkey, we reach a wide consumer base through our "multi-brand and omni-channel strategy". We account for 90% of Turkey's TV exports, and have been the export champion of the electronics industry for 25 years. We have an annual production capacity of 10 million units in televisions.

Vestel achieved its highest brand value and brand ranking to date in the 2022 most valuable brand ranking by Brand Finance, an international finance institution. Having achieved a historic success by becoming one of the top 5 most valuable brands in Türkiye, Vestel has moved from 11th place to 4th place in the last year and is rapidly progressing towards its goal of becoming one of the top 3 most valuable brands in Türkiye .

Vestel Elektronik'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 Elektronik'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 Elektronik aims to offer accessible, easy, smart and energy-efficient products to consumers by creating environmental and social benefits through its products. 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.

For a sustainable future and transition to an economy based on net zero emissions, Vestel Elektronik triggers transformation across its entire value chain. It leverages the power of Industry 4.0 and automation to support the reduction of energy consumption through operational improvements and innovative products. Vestel Elektronik implements circular models to improve resource efficiency in production and reduce its environmental impact from products.

Increasing its efforts to integrate environmental, social and governance (ESG) issues across the entire company, Vestel increased its S&P Global ESG score by 44% to 65 points in 2022. Vestel Elektronik plants' CDP climate change score increased to B and Vestel Beyaz Eşya plants' CDP climate change score increased to A-. Vestel Komünikasyon factory's EcoVadis 2022 rating is Silver. In addition, Vestel Elektronik was included in Borsa Istanbul's BIST Sustainability 25 Index, which was calculated for the first time in 2022 and is composed of large and liquid companies with high sustainability performance.

C0.2

(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	TRAVESTL91H6

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	Reviewing and guiding annual budgets Overseeing major capital expenditures Reviewing innovation/R&D priorities Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Overseeing value chain engagement Reviewing and guiding the risk management process	<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
Row 1	Yes	Criteria used is the employment background and degree of Vestel's CEO: Vestel's CEO obtained his bachelor's degree in mechanical engineering from İstanbul 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. 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.	<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.

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.

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.

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, IS0 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
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
Increasing its efforts to integrate environmental, social and governance (ESG) issues across the entire company, Vestel increased its S&P Global ESG score by 44% to 65 points in 2022. Vestel Elektronik plants' CDP climate change score increased to B and Vestel Beyaz Eşya plants' CDP climate change score increased to A-. Vestel Komünikasyon factory's EcoVadis 2022 rating is Silver. In addition, Vestel Elektronik was included in Borsa Istanbul's BIST Sustainability 25 Index, which was calculated for the first time in 2022 and is composed of large and liquid companies with high sustainability performance. This incentive serves for better management of ESG issues throughout the value chain.

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.

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 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 emissons. Energy manager plays an important role in that process.

Entitled to incentive
All employees

Type of incentive
Monetary reward

Incentive(s)
Salary increase

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)
This is not yet set; however starting from 2023, it will be mandatory to include emissions reduction related KPIs in performance scorecards of managers and positions above managers.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive supports the company's decarbonization efforts to spread and become a culture.

C2. Risks and opportunities

C2.1

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

C2.1a

(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.

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

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.

C2.2a

(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 loose 90% of our market share. Our production plants are also 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 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, always included	Vestel 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 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's potential failure to achieve its climate change-related targets and adaptation to climate change.
Acute physical	Relevant, always 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 -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, always included	Long-term changes to weather patterns present 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, İzmir 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 55% of the total sales of Vestel Elektronik. 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)
76362658

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

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 Elektronik would pay a Carbon Tax for its 2022 (scope 1&2) GHG emissions which is 55,680 tCO2e. 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 .
Potential financial impact = 55,680 tCO2e * 78.91 EUR/tCO2e = 4,393,708 EUR = 76,362,658 TRY.

Cost of response to risk
432610

Description of response and explanation of cost calculation
If Vestel eliminates emissions from purchased electricity in Scope 2 with IREC purchase to mitigate risk of a carbon tax; the calculation would be as below.
Vestel Elektronik's 2022 electricity consumption: 86,522 Mwh
IREC cost: 5 TL/Mwh
86,522 Mwh*5 TRY= 432.610 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 indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

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, electricity and 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 Elektronik. Vestel Elektronik used 24,131 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)
752337331

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

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
6998012

Description of response and explanation of cost calculation
Response action: R&D studies were conducted in 2022 to decrease the amount of steel used in products with optimization studies.
699,801,248 TRY was spent to R&D in Vestel Elektronik in 2022. We estimate that 1% was spent in steel raw material reduction studies hence 6,998,012 TRY 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

Reputation	Shifts in consumer preferences

Primary potential financial impact
Increased indirect (operating) costs

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 Elektronik 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)
9362828147

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Europe accounts for 55% of the total sales of Vestel Elektronik. Sustainable sourcing commitments exist among 76% of retailers interviewed by International Trade Centre, European Commission. Currently, our sustainable products account for 17% of our revenues. Therefore, the remaining 83% 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 Elektronik's 2022 revenue (26,986,880,000 TRY) x 83% of revenue at risk x 55% of revenues from EU market x 76% of customer loss risk = 9,362,828,147 TRY

Cost of response to risk
1387500

Description of response and explanation of cost calculation
To manage the risk, Vestel Elektronik is calculating its greenhouse gas emissions in its operations and validating in accordance with ISO 14064-1 Standard. Vestel Elektronik shares its GHG emissions with all stakeholders through its annual reports. Vestel Elektronik 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 use and manufacture products with high energy efficiency, less carbon emissions and a low environmental impact.

In 2022, we launched 4 main energy efficiency projects, saving 1,408 MWh of energy and 3,844,246 TRY. Thanks to the projects, we prevented 676 tonnes of carbon emissions. We reduced total diesel consumption per unit product by 64% and total natural gas consumption per unit product by 12% year-on-year. The cost of response to risk is calculated as these energy efficiency project costs that have been realized in 2022: 1,387,500TRY

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.

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. 29 energy efficiency projects will take place between 2023-2025.

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 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 Elektronik 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 Elektronik 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)
18620947200

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.
26,986,880,000 TRY (Vestel Elektronik's 2022 revenue) x 0,69 (customer loss risk) = 18,620,947,200 TRY

Cost of response to risk
6998012

Description of response and explanation of cost calculation
Recycling the production and engineering waste and residues generated throughout all processes under the cooperation of Production, R&D and Quality Control teams and reusing them in its products and product components, Vestel Elektronik has aimed to use a total of 1,887 tonnes of recycled plastics including 629 tonnes by the end of 2021, 629 tonnes by the end of 2022 and 629 tonnes by the end of 2023. In line with this commitment, 704 tonnes of recycled plastics were used in 2022, exceeding the target. Besides, Vestel aims to improve TV product and packaging designs without compromising on quality and durability and reduce the use of plastics by 831 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.

For these reasons, Vestel carries out R&D activities to increase recycled and recyclable contents in its products and allocates 1% of R&D expenditures to this topic.

Vestel Elektronik R&D expenditures 699,801,248 TRY x 0,10 = 6,998,012 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 Elektronik used 12,044 MWh of natural gas and 86,522 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)
190968786

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Vestel Elektronik'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 57,733,360 TRY to 236,205,772 TRY. Similarly, the cost of natural gas increased from 2,896,011 TRY to 15,392,385 TRY. As a result, total cost for electricity and natural gas increased from 60,629,371 TRY to 251,598,157 TRY. Therefore potential financial impact is 190,968,786 TRY.

Cost of response to risk
1387500

Description of response and explanation of cost calculation
In 2022, we launched 4 main energy efficiency projects, saving 1,408 MWh of energy and 3,844,246 TRY. Thanks to the projects, we prevented 676 tonnes of carbon emissions. We reduced total diesel consumption per unit product by 64% and total natural gas consumption per unit product by 12% year-on-year. The cost of response to risk is calculated as these energy efficiency project costs that have been realized in 2022: 1,387,500 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
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

Identifier
Opp2

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Resilience

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 Elektronik 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 Elektronik 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 24,450 TRY in 2022.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Europe accounts for 55% of the total sales of Vestel Elektronik. 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. However, thanks to our energy efficiency projects, we reduced exposure to GHG emissions and therefore we are less sensitive to changes in cost of carbon border adjustment mechanism.

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)
76406582

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

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 Elektronik would pay a Carbon Tax for its 2022 (scope 1&2) GHG emissions which is 55680 tCO2e. 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 .
Potential financial impact = 55680 tCO2e * 78.91 EUR/tCO2e = 4,393,708 EUR = 76,406,582 TRY.

Cost to realize opportunity
112279066

Strategy to realize opportunity and explanation of cost calculation
Vestel Elektronik can reduce carbon emissions thanks to energy efficiency projects. The cost of energy efficiency projects until 2026 is 112,279,066 TRY.

Comment

C3. Business Strategy

C3.1

(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>	Science Based Target Initiative's Sectoral Decarbonization Approach is based on the 2ºC 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 2ºC. 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&2. We are considering the 2C scenario for our scope 3 emissions which covers our biggest source of emissions. 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."
Physical climate scenarios: RCP 2.6	Company-wide	<Not Applicable>	Science Based Target Initiative's Sectoral Decarbonization Approach uses the 2DS scenario developed by the IEA (IEA 2016), which is compatible with the RCP2.6 scenario. Therefore, in line with our commitment to SBTi, we are also using the RCP 2.6 scenario in our climate-related scenario analysis. 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."
Physical climate scenarios: RCP 4.5	Company-wide	<Not Applicable>	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.
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	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.

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 2ºC 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, 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	Climate Related Opportunity: More and more our B2B and B2C customers prefer more environmentally friendly products. Therefore, our strategy is to design TV & VS products that consume less energy and use less plastics. This way we will serve the environmentally conscious customers and increase our market share. 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. 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. 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 energy efficient products that perform much better than the market average in EU which is our biggest market.
Supply chain and/or value chain	Yes	Our 2nd biggest scope 3 emissions (hence climate-related risk) come from products used by organization: purchased goods & services and capital goods. Therefore, our strategy is to educate our critical suppliers and encourage them to submit Science Based Targets & 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.
Investment in R&D	Yes	R&D and innovation is our number 1 priority according to our materiality analysis. We derive our power from activities performed in our R&D centers and from an R&D team of approximately 1799 people. According to identified climate-related opportunities, we have strategies as below: -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.
Operations	Yes	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 Elektronik 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. 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 repairability, carry out R&D activities to reduce the costs required to make them ready for reuse and thus contribute to the circular economy.

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	Direct costs Indirect costs Capital expenditures Liabilities	Capital Expenditures: In 2022, Vestel Elektronik implemented a total of 6 main energy efficiency projects, resulting in 2,800 MWh of energy and TL 6 million in savings. This is equivalent to the annual electricity consumption of approximately 755 people in Türkiye. The total amount of natural gas per unit product at the electronics plants was reduced by 4% compared to the previous year. Thanks to the projects, Vestel prevented 676 tonnes of carbon emissions. 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. Direct costs: Our climate-related risks have influenced our financial planning of raw materials such as steel and virgin plastics. Liabilities: Our climate-related risks have influenced our regulation compliance costs such as R&D spending in Eco-Design energy regulation.

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)
4016

Base year Scope 2 emissions covered by target (metric tons CO2e)
59892

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)
63908

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]

37066.64

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
2662

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
52740

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)
55420

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]
31.6228387831317

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Vestel Elektronik 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 37,066.64 tCO2e in Scope 1&2 emissions by 2030 --> Scope 1 target: 2,328.28 tCO2e; Scope 2: 34,737.36 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

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)
1630031

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)
1630031

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
1630031

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)
70

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)
70

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
70

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]
1222523.25

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)
2332832

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)
2332832

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
2332832

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]
-172.463223092076

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Scope 3, Category 11: Use of sold products emissions of Vestel Elektronik covers 70% of total Scope 3 emissions.

Plan for achieving target, and progress made to the end of the reporting year
Vestel 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 Targets (under SBTi), a major step in achieving net zero emissions. Vestel plans to validate Scope 3 targets until the end of 2023.

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
Abs1

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
We aim to achieve net zero emissions (scope1-2-3) in all of our value chain by 2050.

In line with the global agenda, Vestel Elektronik 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 Elektronik 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*	4	676
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)
137

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)
597444

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

9250

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
High end plastic injection chillers energy saving analysis from overworked pumps

---

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
9

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)
37878

Investment required (unit currency – as specified in C0.4)
9250

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Commissioning of hydraulic pump drivers of plastic injection molding machines

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Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
49

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)
191100

Investment required (unit currency – as specified in C0.4)
185000

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Making compressor cooling tower pumps efficient

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
717

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)
3017823

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

1184000

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Compressor use according to the needs in the styrofoam factory

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 until 2026. According to this plan, we'll conduct 29 projects which will save 18625 Mwh of energy. We'll conduct another energy diagnosis (audit) in 2026 to identify more energy efficiency projects to be finalized between 2026-2030.
Dedicated budget for low-carbon product R&D	We allocate approximately 3% of our revenues to R&D activities every year. In 2022, we spent a total of 699,801,248 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. As of 2022, we are one of the 10 companies in Turkey with the highest R&D spending. We were awarded with the Best R&D Center Award in our sector this year at the Technology Development Zones and R&D Centers Awards presented by the Ministry of Industry and Technology of the Republic of Turkey.
Dedicated budget for other emissions reduction activities	We're working on the purchase of IRECs and budgeting the investments accordingly.

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 (TVs which consume less energy than European and Turkish market averages)

Description of product(s) or service(s)
TVs, 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 (TVs, 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.)

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

Functional unit used
kwh consumption of TVs 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 TV unit sales was B class, etc). Every energy class has an EEI value. We find the weighted average of EEI value of the TV market in EU and Turkey. 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

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 TV 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 EU and Turkey markets. 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 TV kwh = 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
10

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)
4016

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)
59892.07

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

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)
437237.145

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)
59621

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

Base year end

Base year emissions (metric tons CO2e)

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)
16182.86

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)
114.09

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)
323.93

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)
5153.25

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)
4396.8

Comment
Calculated based on ISO 14064 methodology.

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)
13686.85

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

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)
1630031.39

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)
14508

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)
0.465

Comment
Calculated based on ISO 14064 methodology.

Scope 3 category 14: Franchises

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
118467

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

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)
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
Other, please specify (Ecoinvent version 3.6)

C6. Emissions data

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)
2662

Start date
January 1 2022

End date
December 31 2022

Comment
Calculations were made according to the ISO 14064 standard.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
4016.68

Start date
January 1 2021

End date
December 31 2021

Comment
Calculations were made according to the ISO 14064 standard.

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
We don't have market based agreement for the use of electricity. We use the infrastructure of Manisa Organized Indsutrial Zone but purchase electricity from our sister company.

C6.3

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

Reporting year

Scope 2, location-based
52740.86

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Scope 2, location-based
59892.073

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2021

End date
December 31 2021

Comment

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)
347695.406

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
All purchased goods and services have been calculated based on spending method.

Capital goods

Evaluation status
Not evaluated

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

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

Evaluation status
Not evaluated

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

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
7294.98

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
188.42

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Calculated based on waste types, recovery methods and quantities.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
842046.09

Emissions calculation methodology
Hybrid method
Spend-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Our business trips are organized by our Julles Verne tourism agency, which is part of Zorlu. Carbon emission calculations per mile and tickets for transportation and travel are learned from the agency.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
4848.26

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, calculated

Emissions in reporting year (metric tons CO2e)
4311.7

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Vehicle capacities are calculated based on the transported load and distances.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
13697.614

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Vehicle capacities are calculated based on the transported load and distances.

Processing of sold products

Evaluation status
Not evaluated

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

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2332832.86

Emissions calculation methodology
Average data method
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The calculation is based on the annual energy consumption and product life of the products we sell.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
36445849.92

Emissions calculation methodology
Average data method
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The calculation is made with the number of products sold and the weight of the product according to the product groups.

Downstream leased assets

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
0.14

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Franchises

Evaluation status
Not evaluated

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

Investments

Evaluation status
Not evaluated

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

Other (upstream)

Evaluation status
Not evaluated

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

Other (downstream)

Evaluation status
Not evaluated

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

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)
437237.145

Scope 3: Capital goods (metric tons CO2e)
59621.48

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)
16182.86

Scope 3: Waste generated in operations (metric tons CO2e)
114.098

Scope 3: Business travel (metric tons CO2e)
323.93

Scope 3: Employee commuting (metric tons CO2e)
5153.25

Scope 3: Upstream leased assets (metric tons CO2e)
4396.8

Scope 3: Downstream transportation and distribution (metric tons CO2e)
13686.85

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
1630031.39

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

Scope 3: Downstream leased assets (metric tons CO2e)
0.46

Scope 3: Franchises (metric tons CO2e)
118469.4

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
0.000002052

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
55402

Metric denominator
unit total revenue

Metric denominator: Unit total
26986880000

Scope 2 figure used
Location-based

% change from previous year
54

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities
Change in revenue

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

Intensity figure
0.00727

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
55402

Metric denominator
unit of production

Metric denominator: Unit total
7616607

Scope 2 figure used
Location-based

% change from previous year
10.85

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities

Please explain
As a result of energy reduction projects, the intensity figure has decreased. In 2022, Vestel Elektronik implemented 4 main energy efficiency projects, resulting in 1,408 MWh of energy and TL 3.84 million in savings.
Additionally, the Company runs information systems data centers over consolidated servers as much as possible. In this context, the number of physical servers is minimized, virtual servers are used and less energy is consumed.

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	1295	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	1323	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	5.6	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	4.378	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	22.99	IPCC Sixth Assessment Report (AR6 - 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	2662

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	26.34
Mobile Combustion	1257.13
Leakage Gas Emissions	27.84
Other (Machine oil)	0.05
Natural gas	1351.03

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	52740.86	

C7.6

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

By facility

By activity

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)
PCBA Card Plant	7157	
EPS Plant	18308	
Plastics Plant	28898	
Sub-Assembly Plant	4948	
Kitchen	2842	
Dyeing Plant	6089	
Metal Press	1424	

C7.6c

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

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Purchased Electricity	41876.774	
Purchased Hot water-Heat energy	878.32	
Purchased Steam	9985.77	

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	8228.56	Decreased		In our Scope 1 data, there is a reduction of 1077.35 tons of CO2. The reason for this decrease; is due to the reduction in the use of natural gas, mobile combustion, and machine oil. In our Scope 2 data, there is a reduction of 7151.21 tons of CO2.
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?

More than 0% but less than or equal to 5%

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	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

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)	Please select	0	12914.78	12914.78
Consumption of purchased or acquired electricity	<Not Applicable>	0	86522.26	86522.26
Consumption of purchased or acquired heat	<Not Applicable>	0	5142.15	5142.15
Consumption of purchased or acquired steam	<Not Applicable>	0	58462.03	58462.03
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	163040	163040

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
12044.12

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
12044.12

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

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
870.66

MWh fuel consumed for self-generation of electricity
870.66

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

Total fuel

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
1291478

MWh fuel consumed for self-generation of electricity
870.66

MWh fuel consumed for self-generation of heat
12044.12

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

C8.2g

(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)
86522.26

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)
63604.18

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
150126.44

C9. Additional metrics

C9.1

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

Description
Waste

Metric value
19186.21

Metric numerator
Total kg of waste

Metric denominator (intensity metric only)
Revenue

% change from previous year
2.11

Direction of change
Decreased

Please explain
Vestel primarily focuses on preventing, reducing, recycling and recovering waste generation in all its activities carried out within the scope of the Zero Waste Management System. Waste generated at various stages of production is separated at source and stored in temporary waste storage areas. All collected waste is sent to licensed waste companies in accordance with the Waste Control Regulation. Vestel 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. From a circular economy perspective, some waste bins were made using production-based waste. Vestel also makes use of its 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. Vestel digitalized the environment and zero waste trainings in order to reach all employees.

Description
Energy usage

Metric value
163041

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 Elektronik 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, and keeps energy consumption under control in the light of the data obtained.

In 2022, Vestel Elektronik launched 4 main energy efficiency projects, saving 1408 MWh of energy and 3.8 million TL.

C10. Verification

C10.1

(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
Reasonable assurance

Attach the statement
VEL_ISO 14064_Verification Statement Certificate_2022.pdf
Vestel-Elektronik-Integrated-Annual-Report-2022.pdf

Page/ section reference

Relevant standard
ISO14064-3

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
Limited assurance

Attach the statement
Vestel-Elektronik-Integrated-Annual-Report-2022.pdf

Page/ section reference
VESTEL ELEKTRONİK 2022 INTEGRATED ANNUAL REPORT REPORTING GUIDELINE PAGES 217-227
LIMITED ASSURANCE REPORT PAGES 228-231

Relevant standard
ISAE3000

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
Reasonable assurance

Attach the statement
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/ section reference

Relevant standard
ISO14064-3

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
Limited assurance

Attach the statement
Vestel-Elektronik-Integrated-Annual-Report-2022.pdf

Page/ section reference
VESTEL ELEKTRONİK 2022 INTEGRATED ANNUAL REPORT REPORTING GUIDELINE PAGES 217-227
LIMITED ASSURANCE REPORT PAGES 228-231

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(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: Purchased goods and services

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Upstream transportation and distribution

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Waste generated in operations

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Employee commuting

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Upstream leased assets

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Downstream transportation and distribution

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

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
Reasonable assurance

Attach the statement
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

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

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Downstream leased assets

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
VEL_ISO 14064_Verification Statement Certificate_2022.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

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-Elektronik-Integrated-Annual-Report-2022.pdf

Page/section reference
VESTEL ELEKTRONİK 2022 INTEGRATED ANNUAL REPORT REPORTING GUIDELINE PAGES 217-227
LIMITED ASSURANCE REPORT PAGES 228-231

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(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

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

C11.2

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

No

C11.3

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

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

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers/clients

C12.1a

(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 Elektronik did not have any suppliers with which relations were terminated due to any social incompliance. Activities required for improving the scope of ESG audits for all critical suppliers are followed by the Supply Chain Working Group.

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://www.vestelinvestorrelations.com/en/_assets/pdf/Vestel-Elektronik-Integrated-Annual-Report-2022.pdf (pages 46, 126, 127, 128, 214, 215).

Impact of engagement, including measures of success
Measures of success: Customer engagement & satisfaction

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

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://www.vestelinvestorrelations.com/en/_assets/pdf/Vestel-Elektronik-Integrated-Annual-Report-2022.pdf (page 127)

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://www.vestelinvestorrelations.com/en/_assets/pdf/Vestel-Elektronik-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
Vestel-Elektronik-Integrated-Annual-Report-2022.pdf

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 Elektronik 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 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 plays an active role in the working groups of various organizations. 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

(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 (Telecommunication Satellite and Broadcasting Business People Association (TUYAD))

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)
37950

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

Trade association
Other, please specify (Foreign Trade Association of Türkiye (TURKTRADE))

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)
22500

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

Trade association
Other, please specify (WIFI ALLIANCE)

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)
177570

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

C12.4

(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-Elektronik-Integrated-Annual-Report-2022.pdf

Page/Section reference
Emission Figures & Targets: A Net Zero Company & Products and Solutions that Create Benefits: Page: 126-136
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 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).

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: 207 Governance - Page: 38-39 Vestel-Elektronik-Integrated-Annual-Report-2022.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.

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	Management Systems Manager	Environment/Sustainability manager

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