

C0. Introduction

C0.1

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

Operating in the fields of consumer electronics, white goods and information technologies with its more than 16.000 employees, Vestel Group of Companies (Vestel), which is the flagship of Zorlu Group, comprises of 29 companies, 13 of which are abroad. Vestel is one the largest consumer electronics and white goods producers in Turkey and Europe. The Company's manufacturing facilities are located in Manisa, Turkey and Poland. The Company enjoys economies of scale which results in productivity, efficiency, and cost advantages by undertaking the majority of its manufacturing within a single 723.420 square meter area, namely Vestel City, the largest industrial complex in Europe. Vestel Elektronik was established in 1984 and is mainly engaged in production of televisions, set-top-boxes, display panels, touch screens, tablets, smartphones, led lightings, car chargers. The strategic importance given to R&D has a key role in Vestel's ability to reach the fast rate of growth and strong competitive position the Company enjoys today. Vestel has improved its superior production technology and design development capability continuously through its team of 1000 engineering professionals employed in its R&D centers. The Company is attracting increasing attention with its modern consumer friendly and innovative products. Vestel designs its products and manufacturing processes to maximize productivity, while making a special effort to protect the nature and raise environmental awareness. Vestel places its "smart life" concept at the center of its brand culture, strengthening its innovative power with consumer and environmentally friendly, sustainable products. Underlying Vestel's unique, pioneering designs and innovative products is the Company's mission to leave a habitable world for future generations while envisioning the technology of the future. Vestel continually strives to minimize all negative impacts on the environment with its new products and targets to increase its R&D investments toward the direction of sustainable innovation.

Vestel conducts its business processes in accordance with ISO 14001 Environment Management System (EMS), which is integrated with ISO 9001 Quality Management System (QMS) and adopted to Total Quality Approach, since 1998, ISO 14064-1 Greenhouse Gases Management System. Vestel also certified its Energy Management System with ISO50001 since 2012.

Vestel also implements Total Productive Maintenance (TPM) and Supply Chain Excellence (SCM) methodologies for cost reduction, quality and process improvement while increasing its competitive edge day by day through its flexible production structure.

VESTEL Electronics is the TV, smartphone, tablet, Led lightings, informative screens, set top box manufacturing plant of VESTEL Group of Companies. Employing more than 7000 people, VESTEL's production facilities are located in MANISA in Turkey, it has a total annual production capacity of 15 million TV units and 3 million digital units. VESTEL Electronics has 6 production facilities; Electronic Board Production, Plastic Injection, Paint Shop, Styrofoam Production, Digital (Smartphone, Tablet, Interactive Smartboards, Informative Screen, Touch screen, Car Charger) Production, Final Assembly Manufacturing (Led TV, Set top Box, Led Lighting) at the highest quality standards requires discipline as well as knowledge and experience.

VESTEL is also two times finalist of European Environmental Awards.

"Environmental sustainability" is an integral part of our business model. We are aware that our success as Vestel is closely linked to comprehensive management of sustainability issues. With this awareness, we map global risk trends that affect or are likely to affect our activities and manage these risks through a holistic approach which starts at the Holding level. We aim to build a smarter future by putting our planet and the society besides profitability at the core of our "Smart Life 2030" sustainability vision, which we started to implement throughout the Holding in 2019. Smart Life 2030 is developed in line with the 2030 Sustainable Development Goals (the SDGs).

Vestel Elektronik Sanayi ve Ticaret AŞ ('Vestel Elektronik'), one of the Holding's publicly traded companies, was included in the Borsa İstanbul ("BIST") Sustainability Index, which comprises of the listed companies with a high corporate sustainability performance, for the first time as of November 2nd 2015. As in 2016 and 2017, Vestel Elektronik continued to meet the required criteria for the BIST Sustainability Index and was included in the Index for the November 2018 - October 2019 period.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

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

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(s)	Please explain
Chief Financial Officer (CFO)	(i)The highest level of direct responsibility for climate change rests with a member of the Executive Board responsible for top level management of all environmental, energy, and social responsibility issues also leader of Holding Sustainability project (Smart Life 2030). (ii)Position in the corporate structure and climate change related responsibilities: Executive Board Member reports directly to the Group CEO.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	Executive Board Member, CFO, is leader of Zorlu Holding sustainability Project and sustainability committee. The sustainability committee includes working groups as following: environment, R&D-innovation, customer relations, supply chain, employees, corporate governance and relations with society. All these committees have members from group companies, like Vestel Electronics and make meetings periodically based on "Smart Life 2030" targets.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

CFO, is leader of Zorlu Holding sustainability Project and sustainability committee. The sustainability committee includes working groups as following: environment, R&D-innovation, customer relations, supply chain, employees, corporate governance and relations with society. All these committees have members from group companies, like Vestel Electronics and make meetings periodically based on "Smart Life 2030" main targets, 2022 sub-targets.

The sub-target on climate-related issue is to reduce carbon emission 15% per revenue (\$). All group companies reported their carbon and energy data to the presidency of sustainability committee. In the near future this will be done by web based software.

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	

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	Type of incentive	Activity incentivized	Comment
All employees	Non-monetary reward	Please select	Employees can submit ideas for new environmental programs, and are eligible to receive spot awards such as gifts for coming up with ideas that enhances the company's overall environmental performance, including those that result in greenhouse gas emissions reductions according to TPM Suggestion&Appreciation Evaluation System.
Business unit manager	Monetary reward	Please select	Notable performance on environment and climate change issues (e.g. site activities for GHG reduction and product design that contributes to energy efficiency) and prevention of environmental incidents are reflected on the annual performance evaluation of Business Units.
Executive officer	Monetary reward	Please select	Notable performance on environment and climate change issues (e.g. site activities for GHG reduction and product design that contributes to energy efficiency) and prevention of environmental incidents are reflected on the annual performance evaluation of Business Units.
Environment/Sustainability manager	Monetary reward	Please select	Notable performance on environment and climate change issues (e.g. site activities for GHG reduction and product design that contributes to energy efficiency) and prevention of environmental incidents are reflected on the annual performance evaluation of Business Units.

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	1	Product efficiency regulations and standards. Product labeling regulations and standards. Extreme weather events may cause delays in product raw material import, product export. Changing consumer behavior. Reputation.
Medium-term	1	3	Reduced equipment efficiency due to temperature extremes may affect our manufacturing performance and/or increase our air conditioning costs.
Long-term	0	10	We may be exposed to the risk of carbon taxes via our suppliers operating in certain parts of the world, where these taxes expected in the near future.

C2.1b

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

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

Medium-term

Description of process

Continuously improves its energy performance through designing energy efficient processes and procuring energy efficient product and services. It ensures savings of energy, water and natural resources by supporting increases in productivity and the use of new technologies. Develops innovative solutions for its products and processes in order to fight against climate change. Vestel follow strategies aimed at achieving "zero waste" and "reduced carbon emissions" in line with Zorlu Holding's Sustainability Strategy. In this context in line with our target to reduce carbon emissions by 15% by 2022, energy efficiency projects under Total Productive Maintenance (TPM) practices will be continued and there will be an increasing use of energy efficient technologies.

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	If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to loose 95% of our market.
Emerging regulation	Relevant, always included	We may be exposed to the risk of carbon taxes via our suppliers operating in certain parts of the world, where these taxes expected in the near future.
Technology	Relevant, always included	New technology structures like Industry 4.0 may increase energy consumption.
Legal	Relevant, always included	If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to loose 95% of our market.
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.
Reputation	Relevant, always included	Our company also sees the risk in failing to actively disclose environment and climate related performance to current and potential investors and therefore affecting our stock prices.
Acute physical	Relevant, sometimes included	Extreme weather events may cause delays in product exports to countries worldwide.
Chronic physical	Relevant, always included	Reduced equipment efficiency due to temperature extremes may affect our manufacturing performance and/or increase our air conditioning costs.

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

Legal	Exposure to litigation
-------	------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We may be exposed to the risk of carbon taxes via our suppliers operating in certain parts of the world, where these taxes expected in the near future.

Time horizon

Unknown

Likelihood

More likely than not

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)

800000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

%10 of revenue

Cost of response to risk

300000

Description of response and explanation of cost calculation

Following and Managing of domestic and worldwide regulations, Zorlu Risk Management Group

Comment

Department and consultancy costs

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation
-------	------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to lose 95% of our market.

Time horizon

Short-term

Likelihood

Very unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7837000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Loose %95 of market

Cost of response to risk

25300000

Description of response and explanation of cost calculation

Following and Managing of domestic and worldwide regulations, Zorlu Risk Management Group, powerful R&D

Comment

Department, research&development and consultancy costs

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation
-------	------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to loose 95% of our market.

Time horizon

Short-term

Likelihood

Very unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7837000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Loose %95 of market

Cost of response to risk

25300000

Description of response and explanation of cost calculation

Following and Managing of domestic and worldwide regulations, Zorlu Risk Management Group, powerfull R&D

Comment

Department,research&development and consultancy costs.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Reduced equipment efficiency due to temperature extremes may affect our manufacturing performance and/or increase our air conditioning costs.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4068240

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

%10 equipment costs

Cost of response to risk

12000000

Description of response and explanation of cost calculation

TPM(Total Productive Maintenance) project

Comment

Department and consultancy costs

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Extreme weather events may cause delays in product raw material import.

Time horizon

Short-term

Likelihood

Unlikely

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)

400000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Production delays, loose customers, punishments.

Cost of response to risk

17376000

Description of response and explanation of cost calculation

Supply Chain excellence office, Alternative supplier/material management.

Comment

Department, research&development and consultancy costs

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Extreme weather events may cause delays in product exports to countries worldwide.

Time horizon

Short-term

Likelihood

Unlikely

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)

400000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Shipment delays, loose customers, punishments

Cost of response to risk

17000000

Description of response and explanation of cost calculation

Shipment Operations Group, alternative shipment methods

Comment

Department costs

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 more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Our facilities will comply with the "By-Law on Energy Performance of Buildings" and will perform periodic energy audits and performance reporting according to this by-law. This will enable us to identify any energy efficiency improvement.

Time horizon

Medium-term

Likelihood

Virtually certain

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)

640000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

%8 revenue, %10 export capacity increase

Cost to realize opportunity

25000000

Strategy to realize opportunity and explanation of cost calculation

We are closely monitoring such regulatory opportunities especially in the EU market, as our main market, by monitoring all upcoming regulations and standards starting from their drafting

Comment

We have invested the technical and administrative infrastructure required for compliance with the EU legislation related to product efficiency and eco-labelling.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Reduced direct costs

Company-specific description

It has become compulsory to label all TVs with EU and Domestic Market energy labels in order to be able to sales to EU countries and domestic market. As a company who has established its production infrastructure ensuring compliance with such expected regulation well ahead of its enforcement, we have gained competitive advantage in our market.

Time horizon

Medium-term

Likelihood

Virtually certain

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)

640000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

%8 revenue, %10 export capacity increase

Cost to realize opportunity

25000000

Strategy to realize opportunity and explanation of cost calculation

We are closely monitoring such regulatory opportunities especially in the EU market, as our main market, by monitoring all upcoming regulations and standards starting from their drafting

Comment

We have invested the technical and administrative infrastructure required for compliance with the EU legislation related to product efficiency and eco-labelling.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Other, please specify (Increased demand for existing products)

Primary potential financial impact

Increased access to capital

Company-specific description

We have been observing an increased demand for our products during times when weather conditions encourage and/or force people to stay indoors such as snow and ice.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Please select

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

Potential financial implications of the opportunity are hard to determine due to uncertainty related to such physical phenomena.

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

Managing inventory, advertising and sales channels

Comment

Seasonal costs are like high inventory cost and advertising costs.

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased access to capital

Company-specific description

It is observed that the consumers' climate awareness is rising every year. As a company building its strategy upon sustainability of natural resources and materials in its operations, and investing in high technology helping to reduce the ecological footprint of its products, we see this as an important opportunity to drive more consumers to buying our products and continue to be an important player and keep our competitiveness in the market. Vestel Electronics is the manufacturer of Eco TVs with reduced power consumption in stand-by and operation mode and energy efficient LED TVs and LED lightings with low power consumption and long lifetime.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Please select

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

We expect that the eco TV and LED TV market share will still be 100 % in 2020, also EV charging and Smart Home applications will be expand, as Vestel , we completed establishment of LED backlight modul manufacturing and Smart Home Kit facilities and clean rooms. So, our shipments in 2019 was %100 with LED Backlight unit TVs.We observe from the buying trends consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales.

Cost to realize opportunity

250000000

Strategy to realize opportunity and explanation of cost calculation

Managing regulations, research&development studies, advertising and sales channels.

Comment

We have made investment in our energy-efficient LED TV , LED Lighting, Touch screens, Smartphones production plant for business expansion and also solar systems, auto charger research and our R&D investments reached up to 250 million TRY in 2019 supported with our 'unlimited R&D budget' strategy.

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Please select

Company-specific description

Positive perceptions about VESTELs carbon performance by clients, investors and the general public will enhance its brand equity in the marketplace

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Please select

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

We expect that the eco TV and LED TV market share will still be 100 % in 2020, also EV charging and Smart Home applications will be expand, as Vestel , we completed establishment of LED backlight modul manufacturing and Smart Home Kit facilities and clean rooms. So, our shipments in 2019 was %100 with LED Backlight unit TVs.We observe from the buying trends consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales.

Cost to realize opportunity

250000000

Strategy to realize opportunity and explanation of cost calculation

Managing regulations, research&development studies, advertising and sales channels

Comment

We have made investment in our energy-efficient LED TV , LED Lighting, Touch screens, Smartphones production plant for business expansion and also solar systems ,auto charger research and our R&D investments reached up to 250 million TRY in 2018 supported with our 'unlimited R&D budget' strategy.

Identifier

Opp6

Where in the value chain does the opportunity occur?

Please select

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Please select

Company-specific description

VESTEL is confident that downturns in the economy will cause consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Please select

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

We expect that the eco TV and LED TV market share will still be 100 % in 2020, also EV charging and Smart Home applications will be expand, as Vestel , we completed establishment of LED backlight modul manufacturing and Smart Home Kit facilities and clean rooms.So , our shipments in 2019 was %100 with LED Backlight unit TVs.We observe from the buying trends consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales.

Cost to realize opportunity

250000000

Strategy to realize opportunity and explanation of cost calculation

Managing regulations, research&development studies, advertising and sales channels

Comment

We have made investment in our energy-efficient LED TV , LED Lighting, Touch screens, Smartphones production plant for business expansion and also solar systems

,auto charger research and our R&D investments reached up to 250 million TRY in 2019 supported with our 'unlimited R&D budget' strategy.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
IEA Sustainable development scenario	For our sector and facility insfructure most convinient scenario analysis is IEA Sustainable development scenario.

C3.1d

(C3.1d) 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	Customers prefer more environmentally friendly products. We design TV products that consume less energy. We produce energy-saving Led Lighting products. We produce electric vehicle chargers.
Supply chain and/or value chain	Yes	We are careful in choosing suppliers to reduce our Scope 3 emissions.
Investment in R&D	Yes	We prefer investments that consume less energy. We design products that work with less energy.
Operations	Yes	We do not use fossil fuels in our production operations.

C3.1e

(C3.1e) 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	Access to capital	

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

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

Year target was set

2015

Target coverage

Site/facility

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2015

Covered emissions in base year (metric tons CO2e)

59987

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2022

Targeted reduction from base year (%)

15

Covered emissions in target year (metric tons CO2e) [auto-calculated]

50988.95

Covered emissions in reporting year (metric tons CO2e)

55097

% of target achieved [auto-calculated]

54.3451081067565

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

Years are both fiscal, that is base year is FY2015 and target year is FY2022 based on Zorlu Holding sustainability project. Because of merge operation with Vestel Digital Facility totally completed in 2015 and started third party verification, base year is changed as 2015 and base year's CO2 data is recalculated.

C4.2

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

No other climate-related 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*	2	710
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	Machine/equipment replacement
---	-------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

710

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

566000

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

800000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

C4.3c

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

Method	Comment
Dedicated budget for energy efficiency	Because of Scope1&Scope2 emissions which are caused by energy consumption, we are focusing energy efficiency projects.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

LED Lightning products(Downlight, Panel Light, spotlight, Weather-Proof Batten,High Bay,Canopy,Architectural Lighting, Street Light,Landscape Lighting etc..)

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

80

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Vestel Electronics produces a wide range of LED Lighting solutions for retail,offices, hospitality, outdoor, healthcare, industrial and architectural use. Vestel LED Lighting solutions are designed to reduce the energy consumption significantly without compromising the light level and quality with a long lifecycle for these areas. The unique designs also help reducing operational and maintenance costs.

Level of aggregation

Product

Description of product/Group of products

LED TVs

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

1

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Vestel Electronics produces a wide range of LED TVs.We have invested in R&D related to development of our LED TV product and also in R&D which has led to elimination of an emission/energy intensive step which used to be employed in soldering (Pin in Paste) process.

Level of aggregation

Product

Description of product/Group of products

Smart Home Kit

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

0.02

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Vestel Electronics produces smart home kit product to manage home activities by reducing loses.We have invested in R&D related to development of our smart home design and production.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

2959

Comment

Years are both fiscal, that is base year is FY2015 and target year is FY2022. Because of merge operation with Vestel Digital Facility totally completed in 2015 and started third party verification, base year is changed as 2015 and base year's CO2 data is recalculated.

Scope 2 (location-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

57028

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

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

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)
2620

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
2695

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
2653

Start date
January 1 2017

End date
December 31 2017

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
2861

Start date
January 1 2016

End date
December 31 2016

Comment

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

Comment

C6.3

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

Reporting year

Scope 2, location-based
52477

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

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 1

Scope 2, location-based
53556

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

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 2

Scope 2, location-based
53355

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

Start date
January 1 2017

End date
December 31 2017

Comment

Past year 3

Scope 2, location-based
56513

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

Start date
January 1 2016

End date
December 31 2016

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 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

Metric tonnes CO₂e

17711.94

Emissions calculation methodology

Average data is used to calculate transportation of purchased raw materials.

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

4.62

Please explain

This calculation includes the transportation emissions of all materials and components which are purchased during 2019

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

20.68

Emissions calculation methodology

Average data is used to calculate transportation of purchased equipments.

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

0.01

Please explain

This calculation includes the transportation emissions of 7 Banding Machines, 1 PSV7000 IC Programming Device, 1 Silicone Application Machine, 4 Compressors, 1 Functional Test Automation Machine, 10 Mechanical Test Automation Machines, 1 Automatik Light Bar Dispensing Machine, 5 Mold Conditioners, 14 SFU-Broadcast Test Systems, 2 Conveyors, 1 AGILENT GCMS Test Device, 1 Industry 4.0 Metal Press Equipment, 2 Clean Room Assembly Robots and Its Parts, 1 LEICA DVM6 Digital Microscope, 3 CA-P427 Color Analyzers, 1 HEXAGON Absolute Arm Device, 4 NORDSON ALTABLUE Devices, 1 Spectrometer

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

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

125.7

Emissions calculation methodology

Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate emissions of fuel and energy related activities(not included in Scope 1 or 2).

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

0.03

Please explain

This calculation includes fuel consumption of inside transportation trucks provided by subcontractors.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

2.71

Emissions calculation methodology

Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate emissions of fuel and energy related activities(not included in Scope 1 or 2).

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

0

Please explain

This calculation includes emissions from the transportation of wastes between Vestel Electronics facilities and licenced waste companies and also Municipal Wastes.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2440.35

Emissions calculation methodology

2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting is used to calculate total emissions of business travels.

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

0.64

Please explain

This calculation includes all business flights of Vestel Electronics employee.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

12413.92

Emissions calculation methodology

Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate employee commuting emissions.

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

3.24

Please explain

This calculation includes emissions from the transportation of employees between their homes and Vestel Electronics facilities. There are no facilities that are excluded from Scope 1 and 2 at this time that would therefore require inclusion in this category.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

There are no facilities that are excluded from Scope 1 and 2 at this time that would therefore require inclusion in this category.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1635.86

Emissions calculation methodology

Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate employee commuting emissions.

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

0.43

Please explain

This calculation includes the transportation emissions of sold products to domestic market and abroad markets.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

VESTEL does not currently have any major product lines that require additional processing and the majority of products are accounted for in the product LCAs.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

344457.64

Emissions calculation methodology

IEA - World Energy Statistics 2016 (2014 data, section III, pp.47-52) is used as reference to calculate end of life treatment of sold products.

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

89.83

Please explain

This calculation includes electricity consumption emissions of sold products, Televisions, Set top boxes, smartphones, tablets and led lightings to domestic market and abroad markets.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4661.9

Emissions calculation methodology

Last year, BVQI EIME program study result data done by our customer is used as reference to calculate end of life treatment of sold products. this study has been used as reference.

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

1.22

Please explain

BVQI EIME program study result data done by our customer is used as reference to calculate end of life treatment of sold 8.153.771 pcs products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

It is assumed that this category is negligible.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

It is assumed that this category is negligible.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

It is assumed that this category is negligible.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

It is assumed that this category is negligible.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

It is assumed that this category is negligible.

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

0.000007

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

55097

Metric denominator

unit total revenue

Metric denominator: Unit total

7917744611

Scope 2 figure used

Location-based

% change from previous year

2.78

Direction of change

Decreased

Reason for change

The reason of decreasing is increasing of productivity, prevention of losses and decreasing of electricity/natural gas consumption.

Intensity figure

0.0227

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

55097

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

2428345

Scope 2 figure used

Location-based

% change from previous year

1.94

Direction of change

Decreased

Reason for change

The reason of decreasing is increasing of productivity, prevention of losses and decreasing of electricity/natural gas consumption.

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	2549	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	3	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	77.9	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Turkey	2620

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 (Boilers)	1612
Mobile Combustion(off-road)	685.3
Mobile Combustion(on-road)	167.51
Stationary Combustion (Generators)	22.57
Leakage emissions	130.45
Other(Lubricating oil, grease, fertiliser)	1.84

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Turkey	52476.91	0	163678	0

C7.6

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

By activity

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)
Production	48136.48	0
Administration	1355.04	0
Design	1186.69	0
Storage	1798.79	0

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	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	0	No change	0	
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	1155	Decreased	2.05	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

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 5% but less than or equal to 10%

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)	LHV (lower heating value)	0	12159.27	12159.27
Consumption of purchased or acquired electricity	<Not Applicable>	0	83028.59	83028.59
Consumption of purchased or acquired heat	<Not Applicable>	0	2177.24	2177.24
Consumption of purchased or acquired steam	<Not Applicable>	0	69638.23	69638.23
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	167003.33	167003.33

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.

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

8833.91

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

8833.91

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>

Emission factor

56100

Unit

metric tons CO2e per m3

Emissions factor source

IPCC (2006), Vol 2., Chapter 2, Table 2.4.

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

3325.36

MWh fuel consumed for self-generation of electricity

92.54

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>

Emission factor

74100

Unit

metric tons CO2e per liter

Emissions factor source

IPCC (2006), Vol 2., Chapter 2, Table 2.4.

Comment

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

15910

Metric numerator

Ton

Metric denominator (intensity metric only)

Unit of production

% change from previous year

8.91

Direction of change

Decreased

Please explain

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	No third-party verification or assurance

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

1
VESTEL_ISO 14064_Verification Statement Certificate_2019.pdf

Page/ section reference

VESTEL_ISO 14064_Verification Statement Certificate

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

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

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

1

Page/ section reference

VESTEL_ISO 14064_Verification Statement Certificate

Relevant standard

ISO14064-3

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?

No, we do not verify any other climate-related information reported in our CDP disclosure

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 using certain prices for carbon, a "theoretical" price of carbon, has been set to calculate in evaluation of our future projects and also operation improvements based on operational excellence and developing programs.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

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

No, and we do not currently 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

C12.1a

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

Type of engagement
Compliance & onboarding

Details of engagement
Climate change is integrated into supplier evaluation processes

% of suppliers by number
95

% total procurement spend (direct and indirect)
95

% of supplier-related Scope 3 emissions as reported in C6.5
90

Rationale for the coverage of your engagement
Vestel has made investments on SNC(Supplier Network Collaboration), SLC (Supplier Lifecycle Management) and TM(Transportation Management) modules.Based onthe SNC(Supplier Network Collaboration) Project, more than 1200 supplier(%95 of total spend) was engaged of our value chain on GHG emissions and climate change strategies.

Impact of engagement, including measures of success
"Sustainability" is the key element of Vestel's Environmental Compliance Management practices. Vestel reduces the environmental impacts of all the processes from production of raw material to disposal of product, complies with all the environmental law and regulations during the life cycle of product and commits this approach with its Environmental Policy. In order to manage the movement of raw materials into Vestel, certain aspects of the internal processing of materials into finished goods, and the movement of finished goods out of Vestel and toward the end consumer, Vestel has started SCM(Supply Chain Excellence Project) in 2019. The SCM will help us to reduce total supply chain management cost, to terminate non-value adding processes , to increase productivity and to reach perfect order fulfilment. Vestel has made investments on SNC(Supplier Network Collaboration) , SLC (Supplier Lifecycle Management) and TM(Transportation Management) modules. Also Vestel established Supply Chain Academy and continue to train SCM process employees from different levels at VESTEL.

Comment
Vestel uses all suppliers' data to improve capacity management, perfect order fulfilment, material and logistics costs, vendor capacity management and lead time. This project will reduce losses and unnecessary process and therefore it will help us to improve energy efficiency through Supply chain from suppliers to customers. Vestel SCM project also provides strict collaboration and communication tool with suppliers and subcontractors via Vestel Supplier Portal and Vestel SpecNet portal. All Vestel supplier has unique user-password to see their material which they supply to Vestel and must comply necessary regulations via these web sites.

C12.1b

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

Type of engagement
Education/information sharing

Details of engagement
Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
100

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
We are sharing all environmental (energy consumption, raw material usage, hazardous chemical details etc.) data of our products with our costumers.

Impact of engagement, including measures of success
Because of our improvement on products related with on-mode/st-by mode power consumption, environmental friendly (less waste, zero hazardous substances), directly impact our customers and end users.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	We are engaging with policy makers, i.e. Ministry of Environment and Urbanisation, Ministry of Energy and Natural Sources, Ministry of Science, Industry and Technology as an individual company as well as with trade associations. During the EU energy labeling adaptation process in Turkey, Vestel shared its opinions with Ministry of Science, Industry and Technology.	Energy Labeling Regulation is completely supported by Vestel.
Other, please specify (standardization)	Support	We are engaging with Turkish Standards Institution via Mirror Committees. Because Turkish Standards Institution is a member of International Organization for Standardization (ISO), and the International Electrotechnical Commission (IEC) on 26 May 1955 and 1 January 1956 respectively, we as Vestel Electronics directly influence the consumer products, energy consumption and environment related standards.	As a major player, by joining Mirror Committees, we support the creation and improvement of the standards.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

TESID

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Electronic Industries in Turkey are organized in an independent association in order to deal with the common interests of the individual companies. In 2000, due to rapid changes in the high tech industry TESID has decided to widen its scope and include software houses and telecom operators accordingly. MISSION: Leading the Turkish Electronics Industry, Information Technologies and related service sectors towards continuous competitiveness and increasing its contributions to the national economy and the people. VISION: 1. Encouraging and supporting technological creativity to achieve a common goal among universities, industry and the government so that competitive, flexible, productive and high quality goods and services are produced. 2. To support: b) the development of a modern, globally competitive electronics industry. c) the expansion of capacity and productivity as well as the enhancement of the investment opportunities of the industry. d) the improvement of the standard of living of employees, for greater employee satisfaction. 3. Concerning policies, strategies, standards and development within the electronics industry. 4. Supporting the Electronics Industry to develop into a strong, environmentally aware, safety conscious establishment that is an overall positive contributor to the community.

How have you influenced, or are you attempting to influence their position?

Supporting the Electronics Industry to develop into a strong, environmentally aware, safety conscious establishment that is an overall positive contributor to the community.

Trade association

TURKBESD

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

White Goods Manufacturers' Association of Turkey, whose acronym is TÜRKBEŞD, was established in 1986 as White Goods Manufacturers' Association (BEŞD) by the leading white goods companies of the sector. In 1999, following its membership to the European Union's senior organization of the field CEEED (European Committee of Domestic Equipment Manufacturers), the association received permission to use "Turkey" in its name through a Cabinet of Ministers decree, and changed its name to White Goods Manufacturers' Association of Turkey (TÜRKBEŞD). Currently, the association has six members: Arçelik, B/S/H, Candy Group, Demirdöküm, Indesit, and Vestel. The association represents approximately 90-91% of the sector. Additionally, TÜRKBEŞD represents Turkey at CEEED (European Committee of Domestic Equipment Manufacturers), which is a platform where home appliance manufacturers in the European Union come together to make decisions. The efforts in the EU are pursued through this membership, and specialist technical personnel of the member companies participate in the technical committee works of the said organization. When needed and requested, the association makes statements to the relevant ministries, NGOs and media (Ministry of Science, Industry and Technology, Ministry of Environment and Urban Planning, Ministry of Energy and Natural Resources, Ministry of Economy, Ministry of Customs and Trade, General Directorate for the Protection of Consumers and Competition, the Union of Chambers and Commodity Exchanges of Turkey, Undersecretariat of Foreign Trade, Central Bank of the Republic of Turkey, TUSIAD [Turkish Industry and Business Association]).

How have you influenced, or are you attempting to influence their position?

Vestel is one of the board members of TURKBESD and works close with other members to drive TURKBESD policies related with energy efficiency, environmental compliance regulations. For instance, recent studies are about the determining control and collect methods of waste electrical and electronic equipments via directives such as AEEE.

Trade association

TUBISAD

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

TUBISAD is representing the strongest collective voice of the companies operating in Information and Communications Technology (ICT) and New Media sectors. Over 200 active member companies of TUBISAD are governing an economic volume of annually 40 billion USD in Turkey. The primary mission of TUBISAD is to foster ICT in becoming the fundamental sector contributing to Turkey's economic growth and to promote collective interests of the member companies while abiding by universal values and maintaining its independency. TUBISAD's Member of Board combines 21 direct and 8 deputy members from the leaders of the Turkish ICT sector. Activities and Services 1 - Impact on Sectoral Policies -Increasing the level of support for innovation -Fostering the development of medium sized enterprises -Facilitating standardization

of regulations imposed on taxation and foreign trade and auditing of compliance with them •Advocating widespread compliance with the copyright protection laws
•Increasing the number of public services offered via electronic platforms •Supporting environment-friendly technologies 2 - Increasing Publicity and Awareness about the Sector •Creating awareness about the economic importance of the sector •Announcing nationwide and international success stories •Communicating collective objectives of the sector •Building strong relationships with the local and foreign press 3 - Sectoral Growth and Profitability •Development of local value added solutions and services
•Launching sectoral standards, certification programmes and regulations •Fostering high quality in education and employment •Establishing proper conditions for fair competition •Fostering export sales of technological products and services •Enabling collaboration and information sharing among companies in sector 4 - Center for Reliable Commercial and Intellectual Information •Reliable sectoral data creation and sharing •Performing sectoral data analysis and market research •Informing the society about sectoral trends and estimates

How have you influenced, or are you attempting to influence their position?

Vestel is board member of Tubisad and drives/supports Tubisad environmental/climate change policy via Government Relations Committee. The objectives are following-up regulatory policy changes and developments related to the ICT sector, submitting collective opinion of the sector on improvement opportunities. Regulatory Policy Committee is supported by the following working groups each focusing on the related regulatory policies concerning the ICT sector; • Hardware Industry Regulations • European Union Alignment and Relations with DIGITALEUROPE • Environmental Regulations • Consumer Law • E-Invoice • Government Incentives related to ICT

Trade association

EU Trade Associations

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Vestel Electronics has membership on Trade Associations of some European countries via its sales offices i.e. Vestel Germany, Vestel UK, Vestel France, Vestel Italy, Vestel Iberia which are located in these countries.

How have you influenced, or are you attempting to influence their position?

We are engaging with European countries' policy makers by sharing our comments via Vestel sales offices.

Trade association

CECED

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Vestel Electronics has membership on CECED (The European Committee of Domestic Equipment Manufacturer).The membership type is direct membership.

How have you influenced, or are you attempting to influence their position?

Vestel is one of the direct members of CECED and works close with other members to drive CECED policies related with energy efficiency, environmental compliance regulations.

Trade association

AGID

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

AGID (Turkish Lighting Luminaires Manufacturers Association) is established in 1997 by 19 manufacturing companies of lighting fixtures and components, with the intention of realizing the following essential goals: To engender consciousness about the identity of the private sector, To advance individual and collective relationships between the representatives in the industry, To enhance theoretical/academic interactions through common efforts and agreements, To complete the process of conforming to international standards, To ensure the proper representation of Turkish manufacturing companies in the international marketplace, To protect the consumer rights.

How have you influenced, or are you attempting to influence their position?

Vestel is one of the members of AGID and works close with other members to drive AGID policies related with energy efficiency, environmental compliance regulations.

Trade association

LIA

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Lighting Industry Association is Europe's largest trade association for lighting equipment professionals. This includes lighting manufacturers, suppliers, retailers, wholesalers, designers and all professionals active in the UK lighting market.

How have you influenced, or are you attempting to influence their position?

Vestel is one of members of LIA and works close with other members to drive LIA policies related with energy efficiency, environmental compliance regulations.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Vestel Works with TÜBİTAK in many energy and energy related projects and creates results which may effects policies related with energy efficiency, environmental compliance regulations. The Scientific and Technological Research Council of Turkey (TÜBİTAK) is the leading agency for management, funding and conduct of research in Turkey. It was established in 1963 with a mission to advance science and technology, conduct research and support Turkish researchers. The Council is an autonomous institution and is governed by a Scientific Board whose members are selected from prominent scholars from universities, industry and research institutions.

TÜBİTAK is responsible for promoting, developing, organizing, conducting and coordinating research and development in line with national targets and priorities.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We are engaging with policy makers, i.e. Ministry of Environment and Urbanisation, Ministry of Energy and Natural Resources, Ministry of Science, Industry and Technology, Turkish Standards Institution as an individual company and also through TESİD (Turkish Association of electronics and Information Industries), TURKBESD (Turkish White Goods Manufacturers' Association) , TUBISAD (Informatics Industry Association) CECED(The European Committee of Domestic Equipment Manufacturer) , AGİD and European countries' trade associations via Vestel sales offices. We have been invited by the Climate Platform, which we welcomed as it presents us the opportunity to engage in climate change issues within a network of companies having increased awareness. Our engagement with policy makers is mainly providing our feedback on transposition and/or implementation of relevant EU Directives. We have been advocating all actions that serve for improving the environmental performance required from our sector both related to manufacturing processes and the products themselves. We were the first company to have complied with the EU Directives relevant for our sector that encourages improving products energy efficiency and we have given our feedback many times in the process of aligning our legislation with the EU including, Energy Related Products(ErP) Eco-Design Directive, Energy Labeling Directive, Waste Electrical and Electronic Equipment (WEEE) Directive and Restriction Of The Use Of Certain Hazardous Substances (RoHS) Directive.

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 voluntary communications

Status

Underway – previous year attached

Attach the document

1
Vestel Elektronik (TISE).pdf

Page/Section reference

Content elements

Strategy

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

1
Vestel Green Bond Framework.pdf

Page/Section reference

Vestel Green Bond Framework

Content elements

Strategy

Comment

C15. 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.

C15.1

(C15.1) 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 am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms