VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş. - Water Security 2021



W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Maintaining its steady growth since its establishment in 1997, Vestel Beyaz Eşya today is a player, which leads the market with its long-term strategies and vision and as one of the largest manufacturers of white goods in both Turkey and Europe. Vestel Beyaz Eşya carries out its production activities by employing the state-of-the-art technology in its seven factories at Vestel City, which is one of the largest industrial complexes in Europe established in a single location, covering an area of 1.1 million m2 in Manisa. Vestel Beyaz Eşya manufactures

refrigerators, washing machines, tumble dryer, cooking appliances, dishwashers, air-conditioners and water heaters in an

enclosed area of 312,500 m2 at Vestel City. The Company has an annual production capacity of 9.4 million units. Vestel Beyaz Eşya ranks among the Eu rope's top manufacturers employing the latest technology. It is one of the ten largest manufacturers of white goods in Europe and one of the top three players in Turkey, developing products by closely following the leading edge technological trends.

Vestel Beyaz Eşya is one of Europe's largest original design manufacturers (ODM). Vestel Beyaz Eşya's sales in Europe are carried out mainly on an ODM basis accompanied with some branded sales through the well-known regional brands owned and global brands licensed by Vestel Group.

The Company pursues a growth strategy with Vestel Group's own brands in Turkey, the CIS and the MENA region. Through its strong R&D organization and competence in the development of technology, Vestel Beyaz Eşya offers a continuously expanding environmentally friendly product range, which appeals to a wide consumer base on a global scale.

The Company strives to bring more comfort to millions of homes with its products. Vestel Beyaz Eşya accounts for nearly 30% of Turkey's total white goods exports. A flexible production capability coupled with a high production capacity, competence in product differentiation, logistical advantages derived from its proximity to Europe as well as to the developing MENA and CIS regions and relatively lower unit labor costs stand out as Vestel Beyaz Eşya's key competitive advantages, reinforcing the Company's market position

The logistics-distribution capabilities of Vestel Ticaret, which carries out Vestel Beyaz Eşya's sales and marketing activities, its wide network of dealers and services offered with a technological infrastructure reinforce Vestel Beyaz Eşya's strong brand image in the domestic market.

After-sales services are provided by the Central Services and call center under Vestel Customer Services General Directorate and the authorized service centers.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date |
|----------------|----------------|------------------|
| Reporting year | January 1 2020 | December 31 2020 |

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Turkey

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure? No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

| Direct use Indirect importance use rating importance rating | | use importance | Please explain |
|--|-----------|-------------------|--|
| Sufficient amounts of good quality freshwater available for use | Important | Important | Freshwater has primary use in direct operations. The availability of good - quality fresh water in sufficient amount is a requiremet for product performance test (washing machine, dishwasher), generation de-ionized water (reverse osmos process). In addition, freshwater is used in dyeing plants in production facility. |
| Sufficient amounts of recycled, brackish and/or produced water available for use | Important | Neutral | The use of recycled water to reduce water consumption as an important factor of water management. We can not reuse for every process. However, we ensure that the dye is used efficiently in the water.Moreover, we also re-use (water recycle) heating and cooling systems in company. In other issues, We are aware that water is used in our products even in direct use. We are trying to produce products that use less water and use few cycles. |

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

| | % of sites/facilities/operations | Please explain |
|---|----------------------------------|---|
| Water withdrawals – total volumes | 100% | Vestel obtains all water needs from Manisa Organize Industry water treatment facility and well in the plant. Therefore, Vestel is able to closely monitor two direct water withdrawals |
| Water withdrawals – volumes by source | 100% | Vestel obtains all water needs from Manisa Organize Industry water treatment facility and well in the plant. |
| Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector] | <not applicable=""></not> | <not applicable=""></not> |
| Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector] | <not applicable=""></not> | <not applicable=""></not> |
| Water withdrawals quality | 100% | In Vestel, both well and Manisa Organize Industry water treatment facility waters are used. All withdrawal water is analyzed before using to ensure that quality parameters are met the limit figure |
| Water discharges – total volumes | 100% | Vestel manages the amount of discarged water coming out of the sites in Gediz Watershed. The waste water is collected by means of two different channels. (Rainwater channel and wastewater channel). Firstly,rain water is collected with the help of rainwater grates, which is discharged Karaçay (river). Secondly, discharged waste water is transported to the sewage treatment plant (Manisa Organize Distriction Wastewater Treatment Plant) The wastewater is analyzed before leaving the factory and it is ensured that it complies with the Turkey standards for water discharged. |
| Water discharges – volumes by destination | 100% | 100% of production facilities' water discharges by destination are monitored and measured by counters in daily and monthly period. Tracking destination provides data regarding how watersheds may be affected |
| Water discharges – volumes by treatment method | 100% | In present treatment plant in Manisa Organized Industrial District has physical and biological treatment facilities and also chemical treatment units. |
| Water discharge quality – by standard effluent parameters | 100% | Proposed discharge criteria for water is selected according to the Water Pollution Control Regulation. Because we are interested in Manisa Organized Industrial District which consists of mix types of industries and for the reason that we are discharging it to the creek (Karaçay) Table 19 in the Water Pollution Control Regulation with the name of 'Discharge Standards of Complex Industrial Wastewater to the Receiving Body for Small and Big Organized Industrial Districts and Other Industries without Sector Defining' is selected to define discharge criteria. In the table, amounts of Composit Sample for 2 hours and Composit Sample for 24 hours are given for different parameters because Composit Sample 24 hours is more reliable than 2 hours. As selecting, we consider composite sample 24 hours. For the parameters we chose 24 hours composite sample. |
| Water discharge quality – temperature | Not monitored | Our plants do not monitor the temperature of water discharge, because it is not an obligatory parameter according to Turkish Regulations. |
| Water consumption – total volume | 100% | 100% of production facilities' water consumption are monitored measured by counters in monthly period. |
| Water recycled/reused | Not monitored | |
| The provision of fully- functioning, safely managed WASH services to all workers | Not monitored | |

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

| | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|----------------------|-----------------------------|---|--|
| Total withdrawals | | | Vestel Beyaz Eşya Factory is getting bigger and rising production number year by year. Despite this fact our water consumption is about the same |
| Total discharges | 876.97 | About the same | |
| Total consumption | 974.41 | About the same | |

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

| | Withdrawals are from areas with water stress | % withdrawn from areas with water stress | Comparison with previous reporting year | Identification tool | Please explain |
|-------|--|--|---|-----------------------|----------------|
| Row 1 | No | <not applicable=""></not> | <not applicable=""></not> | WWF Water Risk Filter | |

W1.2h

(W1.2h) Provide total water withdrawal data by source.

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|--|--------------|---------------------------|---|----------------|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Relevant | 416.41 | About the same | |
| Brackish surface water/Seawater | Not relevant | <not applicable=""></not> | <not applicable=""></not> | |
| Groundwater – renewable | Relevant | 558 | About the same | |
| Groundwater – non-renewable | Not relevant | <not applicable=""></not> | <not applicable=""></not> | |
| Produced/Entrained water | Not relevant | <not applicable=""></not> | <not applicable=""></not> | |
| Third party sources | Not relevant | <not applicable=""></not> | <not applicable=""></not> | |

W1.2i

(W1.2i) Provide total water discharge data by destination.

| | Relevance | Volume (megaliters/year) | | Please explain |
|---------------------------------------|-----------------|-----------------------------|---------------------------------|---|
| Fresh surface water | Not relevant | <not applicable=""></not> | <not Applicable></not | Vestel does not discharge to fresh surface water |
| Brackish surface water/seawater | Not relevant | <not applicable=""></not> | <not Applicable></not | Vestel does not discharge to brackish surface water |
| Groundwater | Not relevant | <not applicable=""></not> | <not Applicable></not | Vestel does not discharge to groundwater |
| Third-party destinations | Relevant | | Please select | Vestel discharges to Municipal/industrial wastewater treatment plant. The total water discharge was 829.23 megaliters last year. In middle of the 2018 our new factory, tumbler dryer machine, has been run. This change lead to increase in water consumption. In addition, it is expected that water withdrawal per product will be decreased with water efficiency studies |

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

| | Relevance of treatment level to discharge | Volume (megaliters/year) | Comparison of treated volume with previous reporting year | % of your sites/facilities/operations this volume applies to | Please explain |
|--|---|-----------------------------|---|--|-------------------|
| Tertiary treatment | Not relevant | <not applicable=""></not> | <not applicable=""></not> | <not applicable=""></not> | |
| Secondary treatment | Not relevant | <not applicable=""></not> | <not applicable=""></not> | <not applicable=""></not> | |
| Primary treatment only | Relevant | | Please select | Not monitored | |
| Discharge to the natural environment without treatment | Not relevant | <not applicable=""></not> | <not applicable=""></not> | <not applicable=""></not> | |
| Discharge to a third party without treatment | Relevant | 867.71 | About the same | Please select | |
| Other | Not relevant | <not applicable=""></not> | <not applicable=""></not> | <not applicable=""></not> | |

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

CDP

| (W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations? No |
|---|
| |
| W3. Procedures |
| |
| W3.3 |
| (W3.3) Does your organization undertake a water-related risk assessment? Yes, water-related risks are assessed |

W3.3a

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(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Entl

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Other

Tools and methods used

Water Footprint Network Assessment tool

WRI Aqueduct

Internal company methods

External consultants

National-specific tools or standards

Comment

In order to expect government's water resource management and water quality regulation, this company is monitoring water quality, water quantity and etc. In addition, in order to manage the risk systemically, we are measuring the degree risk by entering the amount of water intake and amount used of each water intake origin and the discharge flow of each place with Water Footprint Network.

Supply chain

Coverage

Partial

Risk assessment procedure

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Enterprise Risk Management

Tools and methods used

ISO 31000 Risk Management Standard

Comment

We are doing supply chain evaluations. We consider water and carbon-related materials in our evaluations. However, we do not have a verified metadology. We take this risk management analysis in the guidance of ISO 31000 methodology but there isn't any certification.

Other stages of the value chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

| | Relevance & inclusion | Please explain |
|---|---|---|
| Water availability at a basin/catchment level | Relevant, always included | Water availability and quality parameters at the local level affect our production process. If the amount of fresh water available is insufficient or water quality deteriorates rapidly, production costs may increase or the production schedule may deteriorate and the customer's delivery schedule may be delayed. |
| Water quality at a basin/catchment level | Relevant, always included | Water availability and quality parameters at the local level affect our production process. If the amount of fresh water available is insufficient or water quality deteriorates rapidly, production costs may increase or the production schedule may deteriorate and the customer's delivery schedule may be delayed. |
| Stakeholder conflicts concerning water resources at a basin/catchment level | Relevant, always included | Scenario analysis according to the regions together with the stakeholders of the conflicts related to water resources is reflected in the water risk assessment. If a dispute arises between Vestel Beyaz Eşya and its stakeholders, it may fall without our approval. This has a major impact on the management of the company. |
| Implications of water on your key commodities/raw materials | Relevant, always included | Scenario analysis according to the regions together with the stakeholders of the conflicts related to water resources is reflected in the water risk assessment. If a dispute arises between Vestel and its stakeholders, it may fall without our approval. This has great influence on the management of the company. We also use WRI Aqueduct Regulatory & Reputational Risk and Access water analysis results for risk analysis. |
| Water-related regulatory frameworks | Relevant, always included | Vestel Beyaz Eşya sends its wastewater to the organized industrial wastewater treatment plant. Remuneration is based on the pollution load. A pollution charge or tax can be defined as a "price" to be paid on the use of the environment. The four main types of charges used for controlling pollution are: (i) effluent charges, i.e. charges which are based on the quantity and/or quality of the discharged pollutants, (ii) user charges, i.e. fees paid for the use of collective treatment facilities, (iii) product charges, i.e. charges levied on products that are harmful to the environment when used as an input to the production process, consumed, or disposed of, and (iv) administrative charges, i.e. fees paid to authorities for such purposes as chemical registration or financing licensing and pollution control activities. |
| Status of ecosystems and habitats | Not relevant, explanation provided | We include scenario analysis of potential changes in the status of ecosystems and habitants at a local loevel in the water risk assessment. Vestel Beyaz Eşya has no impact on ecosystems and habitants, It is out of scope Environmental Impact Assessment according to the Turkish legislation |
| Access to fully- functioning, safely managed WASH services for all employees | Relevant, always included | We continuously make assessments for WASH in line with our in all facilities are located to ensure the health and safety of our employees. In addition to this, we are monitoring enough supply of water for living and evaluate the quantity and quality of water for our employees on a continuous basis. |
| Other contextual issues, please specify | Not considered | |

W3.3c

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| | | Please explain |
|---|---|---|
| | & inclusion | |
| Customers | Relevant, always included | We are trying to reduce the amount of water we use per unit of product. We calculate our carbon footprint on an enterprise basis. As water-consuming electronics such as washing machine, dishwashers and other products that work for the products we manufacture, we are developing sustainable design tools that are so important to our customers. We produce energy and water saving products. For example; •Vestel Pyrojet washing machine, which consumes 70% less energy than machines with a 8 kg capacity and 60% less energy and 22% less water than machines with a 9 kg capacity in the A+++ energy class, is now the world record holder for energy efficiency. •Vestel Ekomaks dishwasher consumes 20% less energy than an A+++ energy class dishwasher. • Pyrojet and Ekomaks received VDE approval from the German Association for electrical, Electronic and Information Technologies by virtue of their energy efficiency. |
| Employees | Relevant, always included | Providing quality water to employees is a must for workers' well-being. With that in mind, we are developing strategies for water. We strive to continually improve our water performance through training of all new employees and raising awareness and review this annually. |
| Investors | Relevant, always included | It is regarded as part of large external stakeholders with general interest in sustainable practices for water resource management. Our stakeholders are publicly announced on various international platforms such as water management data to work with our stakeholders, Istanbul Stock Exchange Sustainability Index (BIST), CDP water exploration and Zorfu Holding Sustainability Report and Vestel Beyaz Eşya Annual Report. Our reports are in both English and Turkish languages to reach wider masses where our products are used. In addition to disclosing official water data, we have developed various forms of communication materials such as Web-based social media and brochures, Vestel Beyaz Eşya water management methods, initiatives and news. |
| Local communities | Relevant, always included | We are striving as a company to respond to our stakeholders' concerns about quality of water, which is one of our most important aspects. Factors of local communities include water quality risk assessment at the company level that assesses the potential local impact of operations between local water resources, environmental and water resources and communities. To determine where there is high potential for stakeholder conflicts in the water environment, we sought to conduct a business assessment using the WWF Water Risk Filter's Basis Risk section. However, we have not been able to reach sufficient data on Turkey's Gediz Basin. Concerns about stakeholder involvement are also being tracked through our site audit mechanisms. |
| NGOs | Relevant, always included | Sustainable practices for water resources management are generally regarded as part of large external stakeholders. Non-governmental (NGO) activities, which are sensitive to environmental problems, have an important influence on environmental management strategies. In assessing the risk of water, we create business strategies by conducting administrative work and gathering opinions from the NGOs in the country and region that want to do business to reflect them. |
| Other water users at a basin/catchment level | Not relevant, explanation provided | In general, we see other water users at the local level as relevant stakeholders to be considered in our water risk assessments. However, we continue to do extensive benchmarking and implementation analysts in other companies and competitors to identify risks and opportunities at the global and local level. |
| Regulators | Relevant, always included | Changes in regulations and tariffs implemented by regulators with the objective of managing water resources will directly impact Vestel Beyaz Eşya operations, and on sequently regulators are an important stakeholder group in the risk assessment process |
| River basin management authorities | Relevant, always included | We respect the need of other water users. The basin management authorities are representatives at the local level to establish and maintain river basin water management plans. Our water discharge permit is not only protected according to national and regional regulations, but also supported at the local level. We consider river basin authorities as a factor in assessing water risks |
| Statutory special interest groups at a local level | Relevant, always included | Vestel Beyaz Eşya provides information on water saving activities to its stakeholders in its annual non-financial reporting (Annual Report) and local environmental reports. We respect the rights and concerns of all stakeholders to share local water resources. Response of stakeholders to their anxieties about water supply and quality is one of the most important aspects of our community efforts at the site level. |
| Suppliers | Relevant, always included | It is regarded as part of the assessment of corporate water risk. Operations must report and upload basic water management parameters related to water infrastructure and use to the monthly company online data reporting network. We cover water use, risks and management aspects through our suppliers' sustainability performance monitoring. |
| Water utilities at a local level | Relevant, always included | Vestel Beyaz Eşya informs stakeholders about water saving activities in its annual non-financial reporting (Annual Report) and local environmental reports. In addition, Local water resources are involved in our site-level water risk assessment study that assesses the potential local impact of the operation between the environment and water resources and communities. |
| Other stakeholder, please specify | Not considered | There are no other steakholders Vestel Beyaz Eşya includes in our risk assessment process. |

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Vestel Beyaz Eşya Company has become one of the leading companies in the world quickly in a short time with its flexible production capability and the power of meeting the customer demands. With five different product group, more than fifty thousand models, Vestel designs and manufactures for all parameters, for all climate conditions and the whole world.

Vestel Beyaz Eşya continues to work on water. In order to support the assessment and reduction of water related risks, we are developing a comprehensive Water Management Framework, including:

- Water Position
- Water Scarcity
- Water Environmental Impacts
- Water law compliance
- Water quality
- The amount of water
- Community perception

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Vestel Beyaz Eşya Company has become one of the leading companies in the world quickly in a short time with its flexible production capability and the power of meeting the customer demands. With five different product group, more than fifty thousand models, Vestel designs and manufactures for all parameters, for all climate conditions and the whole world.

Vestel Beyaz Eşya continues to work on water. In order to support the assessment and reduction of water related risks, we are developing a comprehensive Water Management Framework, including:

- Water Position
- Water Scarcity
- Water Environmental Impacts
- Water law compliance
- Water quality
- The amount of water
- Community perception

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

| | Primary reason | Please explain |
|----|----------------|--|
| Ro | | Our company only uses water in the dyeing stages of production. Apart from that, water is used for employees' needs. The amount of water used is less than the number of production. The waste water is discharged to the treatment plant. |

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

| | Primary reason | Please explain |
|-------|--|---|
| Row 1 | Risks exist, but no substantive impact anticipated | We do not have an assessment in this context. |

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business? Yes, we have identified opportunities but are unable to realize them

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

| | Primary reason | Please explain |
|-----|--|---|
| Rov | Opportunities exist, but none with potential to have a substantive | Cost saving project thaks to It reduces capital and operating costs by reducing water treatment requirements, water withdrawals and |
| 1 | financial or strategic impact on business | associated costs by increasing on-site use instead of recycled water drainage. |

W6. Governance

W6.1

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

| | Scope | Content | Please explain |
|----------|------------------|--|--|
| Row 1 | Company- wide | Description of business dependency on water Description of business impact | Public Available: Vestel Beyaz Eşya sustainability policy and the effective use of water preservation, 2022 targets related to minimizing the emission of water pollutants and water are public. http://www.vestelyatirimciiliskileri.com/surdurulebilirlik/surdurulebilirlik-stratejisi.aspx Company-wide: Vestel Beyaz Eşya Environmental Policy and water target apply to all operations throughout the company. The water saving priority differs according to the production processes consuming excess water. The water quality requirements and the product water usage target are valid for our semi-producers. Select facilities only: We apply specific water policy, targets and program actions from facility in scarce areas. Performance standards for direct operations: Direct operations have to report comprehensive water supplies and have to implement water saving programs based on water scarcity levels. Performance standards for suppliers: Responsible Procurement Programs, including questionnaires. |
| | | on water Description of water-related performance standards for | |
| | | direct operations Company water targets and goals Commitment to align with public policy initiatives, | |
| | | such as the SDGs Commitments beyond regulatory compliance Commitment to | |
| | | stakeholder awareness and education Acknowledgement of the human right | |
| | | to water and sanitation Recognition of environmental linkages, for | |
| | | example, due to climate change | |

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

| Position of individual | Please explain |
|--|---|
| Director on board | Vestel Beyaz Eşya supports company-wide water management programs in all its departments. There is also an Environmental Engineer who is interested in the subject in the environmental department. It is integrated with the maintenance department. Two departments are briefings on water issues scheduled monthly. They are responsible for following and applying the Environmental Policy and all related standards when considering the responsibilities of the projects, activities and production. |
| Chief Financial Officer (CFO) | Zorlu Holding Sustainability Committee is followed by our CFO Cem Köksal. It is reported in quarterly timeframes. |

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

| | Frequency that water-related issues are a scheduled agenda item | Governance mechanisms into which water-related issues are integrated | Please explain |
|-------|---|--|----------------|
| Row 1 | Scheduled - some meetings | Monitoring implementation and performance | |
| | | Overseeing major capital expenditures | |
| | | Providing employee incentives | |
| | | Reviewing innovation/R&D priorities | |
| | | Setting performance objectives | |

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Financial Officer (CFO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Ouarterly

Please explain

All of the data & results regarding water footprint are reported 4 times in a year to Zorlu Holding Sustainability Committee led bye CFO.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

| | Provide incentives for management of water-related issues | Comment |
|-------|---|---------|
| Row 1 | No, not currently but we plan to introduce them in the next two years | |

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Vestel complies with all related regulations and standards and ensure its compliance via periodic controls and works closely with Ministry of Environment and Urbanization and Ministry of Forestry and Water Affairs, attends Ministries' seminars and workshops, follows closely new developments and give its opinions on draft regulations.

Moreover, there is a Water Footprint Information Management Procedure prepared within the scope of ISO 14046 Standard. Vestel's water footprint calculations are made every year and the water footprint inventory is verified by the authorized institution.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

| | Are water-related issues integrated? | Long-term time horizon (years) | Please explain |
|--|--|--------------------------------|--|
| Long-term business objectives | Yes, water-related issues are integrated | 5-10 | Reduce water consumed in the manufacture of our products by 15 % in 2022 |
| Strategy for achieving long-term objectives Yes, water-related issues are integrated 5-: | 5-10 | | |
| Financial planning | Yes, water-related issues are integrated | 5-10 | |

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

10.13

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

10

Water-related OPEX (+/- % change)

6.8

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

10

Please explain

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

| | Use of climate-related scenario analysis | Comment |
|-------|--|---------|
| Row 1 | Yes | |

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

| | Climate-related scenarios and models applied | Description of possible water-related outcomes | Company response to possible water-related outcomes |
|-------|--|--|---|
| Row 1 | IEA Sustainable Development Scenario | | |

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

| | <u> </u> | Monitoring at corporate level | Approach to setting and monitoring targets and/or goals |
|-------|--|--|---|
| Site/ | Company-wide targets and goals Site/facility specific targets and/or goals Brand/product specific targets and/or goals | Targets are monitored at the corporate level Goals are monitored at the corporate level | |
| Bran | , , , , , | Goals are monitored at the corporate level | |

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water consumption

Level

Brand/product

Primary motivation

Reduced environmental impact

Description of target

Reduce water consumed in the manufacture of our products by 15% in 2022

Quantitative metric

% reduction per product

Baseline year

2016

Start year

2016

Target year

2022

% of target achieved

100

Please explain

As Vestel Beyaz eşya we know that many small make a great. In this manner, small or great lot of water consumption projects are done and the goal is achieved 3 year before the dead line.

Target reference number

Target 2

Category of target

Water withdrawals

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Vestel Beyaz Eşya set the goal of reducing water usage amount by %15 per water sourced from municipal supply compared to 2019 until 2030 to manage and reduce water consumption in domestic and overseas sites.

Quantitative metric

Absolute reduction in total water withdrawals

Baseline year

2019

Start year

2019

Target year

2030

% of target achieved

0

Please explain

Because of the pandemic, even the water consumption for production has been decreased, there is an increasing in total consumption.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Engagement with public policy makers to advance sustainable water management and policies

Level

Site/facility

Motivation

Water stewardship

Description of goal

It was intended that following gains are achieved contribution to achieving the objective of reducing water consumption by 15% per million TL revenue until 2022

Baseline year

2016

Start year

2016

End year

2020

Progress

24% decreasing is achived. It can be controlled our verified water footprint report.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

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W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

| Disclosure module | Data verified | Verification standard | Please explain |
|-------------------|---|--------------------------|---|
| | "The Water Footprint Inventory Analysis (gate-to-gate)" Vestel Beyaz Eşya Sanayi ve | | "The Water Footprint Inventory Analysis (gate-to-gate)" Vestel Beyaz Eşya Sanayi ve Ticaret A.S. is in line with the requirements of the standard ISO 14046:2014. |
| select | Ticaret A.Ş. is in line with the requirements of the standard ISO 14046:2014. | please specify | Ticaret A.Ş. is in line with the requirements of the standard ISO 14045:2014. |

W10. Sign off

W-FI

(W-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.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

| | Job title | Corresponding job category |
|-------|------------------------|------------------------------------|
| Row 1 | Sustainability manager | Environment/Sustainability manager |

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Please select

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

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