

W0. Introduction

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W0.1

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**(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 home appliances in both Turkey and Europe. Vestel Beyaz Eşya carries out its production activities by employing the state-of-the-art technology in its 7 plants at Vestel City, which is one of the largest industrial complexes in Europe established in a single location, covering an area of 1.3 million m2 in Manisa. Vestel Beyaz Eşya manufactures refrigerators, washing machines, tumble dryers, cooking appliances, dishwashers, air-conditioners and water heaters in an enclosed area of 406,000 m2 at Vestel City. The Company has an annual production capacity of 13.6 million units.

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

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

\*Technology and Human-Oriented Transformation

\*A Net Zero Company

\*Accessible and Smart Solutions That Make Life Easier

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

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 providers.

W0.2

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**(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 2021	December 31 2021

W0.3

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**(W0.3) Select the countries/areas in which you operate.**

Turkey

W0.4

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(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

## W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	TREVEST00017

## 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 importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Neutral	Vestel Beyaz Eşya is located in Manisa Industrial Zone. Water is not a direct raw material in our products; however sufficient amounts of good quality water is important because we use water in some production processes such as product performance test (washing machine, dishwasher), generation of de-ionized water (reverse-osmosis process) and paint shops. We also use water for personal hygiene purposes, garden irrigation and fire hydrants. However high quality is not necessary for these processes. We manufacture washing machines and dishwashers; therefore our customers need freshwater to use our products. However indirect use of water is neutral because water use in our value chain is not a major material issue. We do not anticipate any changes on direct and indirect use importance rating for the future.
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 (recycle) water in cooling towers in utilities, paint shops 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%	Water is monitored regularly by water counters in each plant. Also Manisa Industrial Zone bills us on water withdrawal each month which shows the total volumes.
Water withdrawals – volumes by source	100%	Vestel Beyaz Eşya has two water sources: municipal water and groundwater (well). Vestel has counters for both sources. Also Manisa Industrial Zone bills us on water sources separately to show volumes by source.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Water quality for both supplied municipal water and groundwater are analyzed by Manisa Organized Industrial Zone (MOIZ). Groundwater is pre-filtered before it enters our stock pool. Afterwards, the water passes through a second filter system, sand filter and chlorination. The municipal water coming from MOIZ is only filtered at the entrance. All water treatment and measurement follow-ups of the plants are carried out by the Utilities Department. They monitor the quality and usage measurements of process and domestic water daily by checking the pH, conductivity and hardness values of the water at the beginning of each shift. Also, our water treatment chemical consultancy company monitors both our process water and domestic water twice a month, with general water analysis (all alkaline and chemical values). Hence, our water is monitored both daily and twice a month. It is planned to monitor the water treatment systems of all water with an instantaneous data recording system in 2023.
Water discharges – total volumes	100%	Vestel Beyaz Eşya discharges its water to Manisa Organized Industrial Zone's water treatment facility. Vestel Beyaz Eşya doesn't have a water treatment plant of its own. Manisa Organized Industrial Zone bills Vestel for the total amount of discharged water on a monthly basis.
Water discharges – volumes by destination	100%	Vestel Beyaz Eşya discharges its water to Manisa Organized Industrial Zone's water treatment facility. Manisa Organized Industrial Zone uses activated sludge process to treat waste water, then discharges it to Karacay Creek, which is connected to Gediz River. Therefore, Vestel can track the volumes by destination.
Water discharges – volumes by treatment method	100%	Vestel Beyaz Eşya discharges its water to Manisa Organized Industrial Zone's water treatment facility. Manisa Organized Industrial Zone uses activated sludge process method to treat waste water, then discharges it to Karacay Creek, which is connected to Gediz River.
Water discharge quality – by standard effluent parameters	100%	Manisa Organized Industrial Zone analyzes the waste water and sends us the effluent parameters on a monthly basis. These parameters are: suspended solids, grease, chemical oxygen demand, pH, chrome, nickel, copper, lead, zinc.
Water discharge quality – temperature	100%	Manisa Organized Industrial Zone measures the temperature of waste water when getting samples every month from Vestel Beyaz Eşya's discharge points. This information is shared with Vestel Beyaz Eşya.
Water consumption – total volume	100%	100% of water consumption data is measured and monitored on a monthly basis. Water consumption data is calculated as; Total Net Water Consumption = Total Water Withdrawal - Water Discharged. Water withdrawal and water discharge data is taken from the monthly bills and counters as explained above.
Water recycled/reused	1-25	Vestel Beyaz Eşya monitors recycled water by water counters in some of its processes.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Vestel Beyaz Eşya provides safe and sanitary work environment to all its employees. We use drinking water from two sources: Filtered municipal water supplied by Manisa Organized Industrial Zone and water purchased in dispenser size bottles. The Zone send us the detailed analysis report they have conducted in Manisa Public Health Laboratory twice a month. Dispenser size bottled drinking water analysis is done every three months. Both sources are sent to Public Health Directorate. The Directorate measures sanitation and hygiene parameters to make sure that water is safely managed.

**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	938.93	Lower	There has been a decrease due to water efficiency projects that were conducted in the plants.
Total discharges	845.04	Lower	There has been a decrease due to water efficiency projects that were conducted in the plants. Water discharge is connected directly with water withdrawal. Since water withdrawal decreased, total discharges also decreased.
Total consumption	93.89	Lower	There has been a decrease due to water efficiency projects that were conducted in the plants. Total Net Water Consumption = Total Water Withdrawal - Water Discharged

**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	Yes	100%	Lower	WRI Aqueduct	All of Vestel Beyaz Eşya plants are located in: Manisa Organized Industrial Zone, Manisa, Turkey Major Basin: Mediterranean Sea, East Coast Minor Basin: Gediz River WRI Aqueduct Overall Water Risk: High (3-4) We withdraw 100% of our water from this area which is indicated as a water stress area. Being aware of this fact, we put emphasis on our water efficiency projects and decreased the total amount of water withdrawal compared to the previous year.

## 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	Not relevant	<Not Applicable>	<Not Applicable>	
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Relevant	572.97	Higher	Overall water consumption has decreased in Vestel Beyaz Eşya. However, the water sources have been switched. While we withdrew more groundwater; we decreased our municipal water withdrawal.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	
Third party sources	Relevant	365.96	Lower	Overall water consumption has decreased in Vestel Beyaz Eşya. This is thanks to our water efficiency projects. For example, as a result of the optimization implemented in the refrigerator paint shop, we eliminated the rinsing process and saved 43,600 m3 of water as well as 785 MWh of energy. Thus, we saved as much as the annual water consumption of 523 people in Turkey. We aim to expand the project to other paint shops in 2022.

## W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	
Third-party destinations	Relevant	845.04	Lower	Vestel Beyaz Eşya discharges its water to Manisa Organized Industrial Zone's waste water treatment facility. Vestel Beyaz Eşya doesn't have a waste water treatment plant of its own. Waste water discharge is connected directly to water withdrawal quantity. The water withdrawal has decreased hence the discharged water has decreased, as well.

## 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 Applicable>	<Not Applicable>	
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Relevant	845.04	Lower	1-10	Vestel Beyaz Eşya discharges its waste water to Manisa Organized Industrial Zone's waste water treatment facility. Manisa Organized Industrial Zone uses activated sludge process method to treat waste water, then discharges it to Karacay Creek, which is connected to Gediz River. Waste water discharge is connected directly to water withdrawal quantity. The water withdrawal has decreased hence the discharged water has decreased, as well.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

## W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1617800 9000	938.93	17230261.0418242	We anticipate a decrease in our total water withdrawal efficiency because our revenue is expected to increase and we are conducting more water efficiency projects going forward.

W1.4

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

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25

% of total procurement spend

76-100

Rationale for this coverage

We identify suppliers that have a critical impact on our business processes. Our critical suppliers are high volume suppliers, critical material suppliers, non-substitutable suppliers, suppliers identified as a result of Pareto Analysis. Suppliers with critical impact accounted for 80% of our 2021 purchasing turnover. We target these suppliers in our engagement strategy.

Impact of the engagement and measures of success

Trainings will take place in H2 of 2022. The measures of success will include number of suppliers who took the training and number of suppliers who submit their water consumption quantities.

Comment

We are starting Vestel Supplier Monitoring and Development Program in 2022. As part of this program, we will give trainings to our suppliers including water stewardship. Afterwards, we will request environmental data from our critical suppliers and see their action plans. Later, we will validate the data received for water stewardship. There will be a verification process and an online audit which will be performed by an independent third party company.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

According to our Supplier Code of Conduct, below clauses must be agreed and signed to become our supplier (100% coverage) -All relevant laws, regulations and legislation regarding the environment (including all laws on air emissions, wastes, wastewater and chemicals) should be abided by. -Efforts should be made to reduce carbon emissions and the consumption of natural resources and to increase the amount of recycled waste.

Impact of the engagement and measures of success

Supplier Code of Conduct is a part of our purchasing contracts; therefore the measure of success is the % of suppliers who signed our supplier code of conduct. We aim to keep this number at 100%.

Comment

W1.4c

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

We make OEM and ODM production for many important and world-renowned home appliances brands. We are an important and critical supplier to these major brands. We share our monthly and annual water consumption with our customers as well as our work on water projects to create engagement. Another key stakeholder for Vestel Beyaz Eşya is Manisa Organized Industrial Zone. We engage with them on subjects such as water quality and water stress. We share our water stewardship programs through our Integrated Report with all of our stakeholders in our value chain. [http://vesbe.vestelinvestorrelations.com/en/\\_assets/pdf/AnnualReport\\_2021.pdf](http://vesbe.vestelinvestorrelations.com/en/_assets/pdf/AnnualReport_2021.pdf) Page:86 and 146

## W2. Business impacts

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### W2.1

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

No

### W2.2

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(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

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### W3.3

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(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.

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

International methodologies and standards

Databases

**Tools and methods used**

EcoVadis

SEDEX

WRI Aqueduct

WWF Water Risk Filter

Environmental Impact Assessment

IPCC Climate Change Projections

ISO 14001 Environmental Management Standard

ISO 14046 Environmental Management - Water Footprint

**Contextual issues considered**

Water availability at a basin/catchment level

Water regulatory frameworks

Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers

Employees

Investors

Regulators

Suppliers

Water utilities at a local level

**Comment**

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## W3.3b

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### (W3.3b) 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 uses various tools for risk assessment as selected in the question above. These risks are identified using ISO 14001 EMS risk & opportunities analysis.

When identifying risks and opportunities related to water, we first consider the operations, needs and expectations of all stakeholders. When assessing risks, we use our risk matrix, which consists of impact severity and probability of occurrence (risk = probability x impact). We use a 5 x 5 risk matrix: 1 indicates the lowest, 5 indicates the highest risk or opportunity. Once we assess the risks according to their scores; the risk response mechanism takes place. We create action plans according to the scores of related risks and opportunities.

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

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

In order to mitigate very high and high risks, we work on water projects such as water reduction, water reuse and water recycling. To support the reduction of water related risks, we are improving our Water Management Framework, including:

- Water Position
- Water Scarcity
- Water Environmental Impacts
- Water regulatory compliance
- Water quality
- The amount of water withdrawal and discharge

## W4. Risks and opportunities

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### W4.1

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

No

### W4.1a

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

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

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

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

### W4.2b

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**(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
Row 1	Risks exist, but no substantive impact anticipated	Our operations are located in a water-stressed area, but when we analyze the risk, the risk is scored as 4 (impact:4 x probability:1). Therefore, it remains at a low risk level. For this reason, we do not see it as having a substantive financial or strategic impact in our direct operations.

W4.2c

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**(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	Evaluation in progress	In 2022, we'll start Vestel Supplier Monitoring and Development Program where we will be able to assess water risks in our value chain.

W4.3

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**(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, and some/all are being realized

W4.3a

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**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Sales of new products/services

**Company-specific description & strategy to realize opportunity**

We currently manufacture dishwashers and washing machines that break world records in water consumption in their respective categories. We continue our R&D studies and investments on water efficient products as these become more in demand. The most important opportunity for us here is that our new water-efficient products will be more in demand and our sales revenues will increase creating strategic importance on our business.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Medium-high

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

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact**

Sales revenue increase by customer demand in water efficient washing machines and dishwashers.

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**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Water recovery from sewage management

**Company-specific description & strategy to realize opportunity**

Manisa Organized Industrial Zone (MOIZ) has a plan to build an advanced treatment plant which will treat waste water further. This plant will enable MOIZ to recycle water and send it back to companies in the zone. We have a target of using 50% recycled water by 2030. We will be able to accomplish this target by purchasing recycled water from MOIZ. We see this as a great opportunity to reach our targets and increase our resilience as we are based in a water stress area.

**Estimated timeframe for realization**

4 to 6 years

**Magnitude of potential financial impact**

Low-medium

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

4891760

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact**

50% of water consumption estimation in 2025 is multiplied by estimated recycled water unit cost.

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**W6. Governance**

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**W6.1**

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**(W6.1) Does your organization have a water policy?**

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

**W6.1a**

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**(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 water-related performance standards for direct operations Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action	Vestel Beyaz Eşya's Environmental Policy and water targets apply to all operations throughout the company. This policy is in line with ISO 14001 EMS standards. Based on this policy: We will work to reduce environmental impacts by developing energy and water efficient, environmentally friendly products, and for this purpose, we will ensure that product designs and technology are constantly developed and improved. We will reduce the consumption of natural resources, especially raw materials, energy, water and chemicals, during the design and manufacturing stages. We will ensure responsible and reasonable use of water, improve water performance, and assess water stress and risks. We will perform works to increase the environmental awareness and performance of our internal and external stakeholders, by using all our communication resources. We will provide continuous training to our employees so that they acquire the right behaviour habits regarding environmental awareness. Our Environmental Policy can be seen at: <a href="http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_beyaz_esya_management_systems_policy.pdf">http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_beyaz_esya_management_systems_policy.pdf</a> Water Stewardship progress can be seen at: <a href="http://vesbe.vestelinvestorrelations.com/en/_assets/pdf/AnnualReport_2021.pdf">http://vesbe.vestelinvestorrelations.com/en/_assets/pdf/AnnualReport_2021.pdf</a> page: 86

**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
Chief Executive Officer (CEO)	The CEO has the highest level of direct responsibility for water-related issues and oversees all environmental, social and governance matters. The CEO reports directly to the Board of Directors. The CEO is also the head of Vestel Sustainability Committee which manages water-related issues.

**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 acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	Vestel's CEO reports directly to the Board of Directors and is the head of Vestel Sustainability Committee. Vestel Sustainability Committee meets quarterly. Sustainability Committee is responsible from governance mechanisms of all water-related issues as selected above.

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

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

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 Executive Officer (CEO)

**Responsibility**

Other, please specify (Making decisions regarding water-related issues)

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Vestel's CEO is the head of Vestel Sustainability Committee. Vestel Sustainability Committee meets quarterly. CEO makes the decisions regarding water-related issues.

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

Sustainability committee

**Responsibility**

Assessing future trends in water demand  
 Assessing water-related risks and opportunities  
 Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Duties and responsibilities of Vestel Sustainability Committee: · To determine corporate policies and strategies related to water-related issues. · To ensure integration of water policies and strategies with corporate business objectives. · To evaluate non-financial risks and opportunities including water-related issues. · To determine the KPIs and targets of critical issues related to sustainability. · To ensure the implementation of the decisions taken for sustainability and water stewardship, to approve the necessary financial investments for these, and to monitor the performance to ensure that the targets are met. · To determine the strategic framework of external evaluation and rating tools on sustainability and to follow up the results. · To revise the company strategy when necessary according to global trends regarding sustainability and water-related issues. · To encourage cooperation with NGOs, public institutions and universities on water-related issues.

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

Environment/Sustainability manager

**Responsibility**

Assessing future trends in water demand  
 Assessing water-related risks and opportunities  
 Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Not reported to board

**Please explain**

Sustainability Manager is a part of Vestel Sustainability Committee. With the environment manager, she conducts water-related risks and opportunities analysis, manages these risks and opportunities and assesses future trends in water demand. Sustainability Manager also manages Sustainability Working Groups. Sustainability Working Groups have been established to control and coordinate sustainability and water-related issues. Members of Sustainability Working Groups consist of experts and/or managers responsible for sustainability issues assigned by each department. These groups meet monthly. Sustainability Working Groups report to the Sustainability Committee.

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, trade associations

## 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 Beyaz Eşya complies with all related regulations and standards and ensure its compliance via periodic controls. The Company works closely with Ministry of Environment and Urbanization and Ministry of Forestry and Water Affairs, attends Ministries' seminars and workshops, follows new developments closely and gives its opinions on draft regulations through trade associations. The opinions are given based on Vestel Beyaz Eşya's water policy/water commitments.

## W6.6

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

Yes (you may attach the report - this is optional)

VBE\_AnnualReport\_2021.pdf

## 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	At Vestel Beyaz Eşya, one of our long-term business objectives is water efficiency in our products. In this respect, our products are among those that consume the least water in the market. We produce dishwashers that consume 5.4 liters of water by saving 45% more water than the market average per wash. These dishwashers save up to 3 liters of water per wash thanks to our "Aquazone" technology compared to conventional technologies, and we also produce washing machines, which consume 35 liters of water per wash by saving approximately 30% more water. The waterless daylight cleaning programs also provide hygiene for items that consumers use in their daily lives, such as keys and wallets. We also aim to support the reduction of water pollution with washing machines equipped with microfiber filter systems which we have developed and for which patents have been filed. In this context, we became a member of APPLIA's Consortium on Microplastics Release in 2021 and we are striving to take a more active role in global initiatives.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	One of our business strategies is to become a net zero company. In this regard, we are applying innovative business models and adopting the circular economy. In order to achieve our long-term water related objectives, we are going to use 50% recycled water by 2030 in our own operations. We will invest in water re-use and recycling projects. We are going to expand our rainwater collection systems to all plants. Our operations target is to reduce water consumption per unit of product by 21% by 2030 taking 2021 as the base year. We will continue investing in water efficient and waterless products going forward. As a result, our strategy is to become more resilient in terms of water.
Financial planning	Yes, water-related issues are integrated	5-10	We have allocated budgets for water-related matters. For example, in 2021 we purchased water meters for 50,000 EUR in order to increase the traceability of important water streams.

### 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)

500

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

20

Water-related OPEX (+/- % change)

29

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

22

Please explain

CAPEX: Our operations target is to reduce water consumption per unit of product by 21% by 2030 taking 2021 as the base year. Therefore, we continually increase our investments in water-related projects. We especially increased our CAPEX in 2021 compared to 2020. OPEX: Our OPEX includes municipal water, groundwater and waste water expenses (bills) as well as water analysis costs. We expect a rise in supplied water unit prices going forward. Also, since our target is to use 50% recycled water by 2030; our water supply costs will increase as the unit price of the recycled water will be higher than regular water unit costs.

### W7.3

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

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	

### 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

### W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	Washing machines and dishwashers which consume less water than EU and Turkey market averages.	<Not Applicable>	We classify washing machines and dishwashers which consume less water than EU and Turkey market averages as low water impact products.

## W8. Targets

### W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	We determine the targets and goals according to ISO 14001, 14046 standards and the relevant United Nations Global Principles. We have company wide and plant specific targets. We identify the areas with the highest water consumption with meters. We monitor the water consumption on a plant basis. By looking at the past data and the projects we will implement, we come up with SMART targets for water use per unit of product in each plant. We add these up to come up with the company wide targets. There is also an absolute value, recycled water use target.

**(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**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

Water withdrawal (m3) volume / total production units. Our target is to reduce water consumption per unit of product by 21% by 2030 taking 2021 as the base year.

**Quantitative metric**

% reduction per product

**Baseline year**

2021

**Start year**

2021

**Target year**

2030

**% of target achieved**

0

**Please explain**

Our target is to reduce water consumption per unit of product by 21% by 2030 taking 2021 as the base year. Since our base year is 2021, we'll show our achievement in the next years.

---

**Target reference number**

Target 2

**Category of target**

Water recycling/reuse

**Level**

Company-wide

**Primary motivation**

Risk mitigation

**Description of target**

Taking 2021 as base year, using 50% recycled water by 2030.

**Quantitative metric**

% increase in water use met through recycling/reuse

**Baseline year**

2021

**Start year**

2021

**Target year**

2030

**% of target achieved**

0

**Please explain**

Our target is using 50% recycled water by 2030. Since our new base year is 2021, we'll show our achievement in the next years.

---

**Target reference number**

Target 3

**Category of target**

Supplier engagement

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

Engage 100% of all critical suppliers on water stewardship by 2025.

**Quantitative metric**

% increase in number of suppliers engaged

---

**Baseline year**

2021

**Start year**

2022

**Target year**

2025

**% of target achieved**

0

**Please explain**

We'll start Vestel Supplier Monitoring and Development Program in 2022 to engage suppliers on water stewardship. Therefore we'll show our achievement in the next years.

**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 suppliers to help them improve water stewardship

**Level**

Company-wide

**Motivation**

Water stewardship

**Description of goal**

Engage 100% of all critical suppliers on water stewardship by 2025.

**Baseline year**

2021

**Start year**

2022

**End year**

2025

**Progress**

We'll start Vestel Supplier Monitoring and Development Program in 2022 to engage suppliers on water stewardship. Therefore we'll show our achievement in the next years.

**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

Doğrulama Beyanı - 14046\_2014 - en pdf gnl-116.pdf

**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
W1 Current state	Total water footprint : 1.186.599 m3 Blue water footprint : 938.930 m3 Green water footprint : N.A m3 Grey water footprint : 247.669 m3	Other, please specify (ISO 14046:2014)	"The Water Footprint Inventory Analysis (gate-to-gate)" Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. is in line with the requirements of the standard ISO 14046:2014. Level of assurance is Reasonable.

**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.

Water Stewardship has also been explained in 2021 Vestel Beyaz Eşya Integrated Annual Report page 86.  
VBE\_AnnualReport\_2021.pdf

## 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	Management Systems 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)].

Yes

## Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms