

C0. Introduction

C0.1

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

Vestel Elektronik Sanayi ve Ticaret AŞ is a global group of companies consisting of 19 subsidiaries. Vestel Elektronik (Vestel Group of Companies) has 3 manufacturing companies: Vestel Elektronik (electronics), Vestel Beyaz Eşya and Vestel Komünikasyon. This CDP report scope covers Vestel Elektronik (electronics) manufacturing plants comprised of six plants (electronic card, EPS, plastic, sub-assembly, High-End, and digital plant) which are located in the Manisa Organized Industrial Zone. Vestel Elektronik (electronics) plants manufacture TVs, Visual Solutions (VS) and electronic cards.

As Vestel Elektronik, we meet different consumers in 158 countries with a wide product range based on our competencies in technology-design development and product customization. With over 7,000 employees, production capacity built on technological superiority and contribution to the country's exports, we represent an important source of power for the Turkish economy.

As one of the world's leading original design manufacturers (ODMs) in consumer electronics, we are one of the top three LCD TV manufacturers in Europe. We are among the most well-known brands in Turkey, and are the largest manufacturer in the Turkish TV market. As one of the leading technology companies in Turkey and across the globe, we continue to work with the aim of completing the Industry 4.0 transformation and making a transition to fully-automated smart plants. Backed by our competencies in artificial intelligence (AI) software and the internet of things (IoT), we also play a leading role in smart city and smart home platforms. In the global market, we also engage in branded product sales through acquired regional brands and licensed global brands in addition to our ODM based sales. Our collaboration with leading global brands, such as with Toshiba in TVs, through our brand licensing agreements reinforce our position in the European market. The Daewoo brand, which we licensed for televisions in 2021, will support us in increasing our competitiveness and branded sales. Boasting one of the most extensive sales and after-sales service networks in Turkey, we reach a wide consumer base through our "multi-brand and omni-channel strategy". We account for 90% of Turkey's TV exports, and have been the export champion of the electronics industry for 23 years. We have an annual production capacity of 10 million units in televisions.

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

*Technology and Human-Oriented Transformation

*A Net Zero Company

*Accessible and Smart Solutions That Make Life Easier

Through its strong R&D organization and competence in the development of technology, Vestel Elektronik aims to offer accessible, easy, smart and energy-efficient products to consumers by creating environmental and social benefits through its products. The Company strives to develop products with reduced environmental impact and high savings through R&D and innovation studies, and it devotes a significant part of the R&D budget to developing smart products that create benefits.

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

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 2021	December 31 2021	Yes	1 year

C0.3

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

Turkey

C0.4

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

TRY

C0.5

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

Operational control

C0.8

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

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	TRAVESTL91H6

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The CEO has the highest level of direct responsibility for climate-related issues and oversees all environmental, social and governance matters. The CEO reports directly to the Board of Directors. The CEO is also the head of Vestel Sustainability Committee which manages climate-related issues.
Board-level committee	The Early Detection of Risk Committee was established pursuant to the Board of Directors' resolution dated 15 March 2013, in order to identify risks which could threaten the existence, development and continuity of the Company, take necessary measures against these risks and undertake risk management activities. The Early Detection of Risk Committee is composed of at least two Board members. The Committee continues its activities with regard to the early detection of threats which may have negative consequences on the development and continuity of the Company and manage the risks effectively by developing action plans against such threats. The Early Detection of Risk Committee convenes at least 3 times a year, but as often as necessary for the effectiveness of its activities and as explained in its working principles.

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 Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	<p>Vestel CEO reports directly to the Board of Directors and is the head of Vestel Sustainability Committee. Vestel Sustainability Committee meets quarterly. Climate-related issues are among the most important agenda items of Vestel Sustainability Committee. There is also Early Detection of Risk Committee on the board level which covers climate-related risks. The Early Detection of Risk Committee held 6 meetings in 2021 and presented 6 risk reports to the Board of Directors including a report on "Carbon Emissions and Climate Change".</p> <p>(http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_elektronik_integrated_annual_report_2021.pdf - page 142)</p>

C1.1d

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

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Criteria used is the employment background and degree of Vestel's CEO: Veste'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>

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 Executive Officer (CEO)	<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>	Quarterly
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board
Chief Operating Officer (COO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	As important matters arise
Energy manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board
Other, please specify (Management Systems Manager)	<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).

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

Vestel Sustainability Committee:

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

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

Vestel Sustainability Committee meets quarterly. Major Committee decisions are also reported to the Board of Directors.

Duties and responsibilities of Vestel Sustainability Committee:

- To determine corporate policies and strategies related to climate change & environmental, social and governance (ESG) issues,
- To ensure integration of climate change & sustainability policies and strategies with corporate business objectives.
- To evaluate non-financial risks and opportunities including climate related issues, making strategic decisions about them and managing predetermined risks and opportunities.
- To determine the KPIs and targets of critical issues related to sustainability, especially climate change.
- To ensure the implementation of the decisions taken for sustainability and climate crisis, 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 (CDP, DJSI, Refinitiv, etc.) on sustainability and to follow up the results.
- To revise the company strategy when necessary according to global trends regarding sustainability and climate-related issues.
- To encourage cooperation with NGOs, public institutions and universities on climate-related issues.

Sustainability Working Groups:

Sustainability Working Groups have been established to control and coordinate sustainability and climate-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.

Vestel Sustainability Working Groups are listed below:

- Environmental Working Group - this group works specifically on climate-related issues
- Social Working Group
- Governance Working Group
- Technology Working Group
- Supply Chain Working Group
- Customer Experience Working Group

Duties and responsibilities of the Sustainability Working Groups:

- To ensure that all activities in the Sustainability Working Groups comply with corporate strategy, policy and sustainability principles.
- To implement the decisions of the Sustainability Committee.
- To implement sustainability as the main strategy in the processes.
- To develop and report proactive solutions for the company's risks and opportunities related to sustainability and climate change, and to share good practices.
- To prepare and/or coordinate action plans for sustainability and climate change targets, to implement action plans, to monitor progress against targets, to report KPI results.

There is also Early Detection of Risk Committee on the board level which covers climate-related risks. This Committee identifies risks which could threaten the existence, development and continuity of the Company, takes necessary measures against these risks and undertakes risk management activities (these risks also include climate-related risks). The Early Detection of Risk Committee is composed of at least two Board members. The Committee continues its activities with regard to the early detection of threats which may have negative consequences on the development and continuity of the Company and manage the risks effectively by developing action plans against such threats. The Early Detection of Risk Committee convenes at least 3 times a year, but as often as necessary for the effectiveness of its activities and as explained in its working

principles. The Early Detection of Risk Committee held 6 meetings in 2021 and presented 6 risk reports to the Board of Directors including a report on "Carbon Emissions and Climate Change".

C1.3

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

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

C1.3a

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

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Energy manager	Monetary reward	Energy reduction project Energy reduction target Efficiency project Efficiency target	The energy manager is responsible from the energy audit and the supervision of ISO 50001 energy management system. The energy manager tracks energy consumption, sets energy efficiency targets and executes energy efficiency projects. The energy efficiency KPI is in the performance scorecard of the energy manager which is linked to the salary.
Environment/Sustainability manager	Monetary reward	Emissions reduction target Energy reduction target Supply chain engagement	Sustainability manager's overall performance is directly linked with setting ambitious emission reduction and energy reduction targets. Sustainability manager works to ensure that the targets are met. The sustainability manager's performance indicator also includes supply chain compliance on climate related issues. Notable performance on climate related issues (e.g. activities for GHG reduction, renewable energy, energy efficiency) are reflected on the annual performance evaluation.
Chief Operating Officer (COO)	Non-monetary reward	Company performance against a climate-related sustainability index	The COO is recognized within Vestel and Zorlu Holding (parent company) when climate-related sustainability index scores are increased.
All employees	Monetary reward	Emissions reduction project	This is not yet set; however starting from 2023, it will be mandatory to include emissions reduction related KPIs in performance scorecards of managers and positions above managers.

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

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

C2.1b

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

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

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

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

C2.2

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

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term

Medium-term

Description of process

Our risk and opportunity analysis is done periodically according to ISO 14001 and ISO 50001 standards. When identifying risks and opportunities related to climate change, we first consider the operations, needs and expectations of all stakeholders. When assessing risks, we use our risk matrix, which consists of impact severity and probability of occurrence (risk = probability x impact). We use a 5 x 5 risk matrix to assess the risks and opportunities. 1 indicates the lowest, 5 indicates the highest risk or opportunity. Once we assess the risks according to their scores; the risk response mechanism takes place. We create action plans according to the scores of related risks and opportunities. Measures against climate-related risks are developed and/or the continuation of the existing measures taken is ensured. In order to reduce risks; technology, infrastructure, process flow changes can be realized (such as insurance, contractual guarantee, partnerships, risk sharing). Activities that cause increased climate change risks are abandoned. Once the actions are taken to reduce climate-related risks, we assess the risks again and make sure that the risk level is acceptable. We conduct the similar process for climate-related opportunities.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	We are subject to product energy efficiency regulations in every market that we sell. For example, if we fail to comply with the energy efficiency regulations and standards required for selling our products to the EU and Domestic Market, there is a risk for us to loose 90% of our market share. Our production plants are also subject to energy regulations in Turkey. For example, it is mandatory to conduct energy audits in every 4 years in Turkey.
Emerging regulation	Relevant, always included	We continually monitor, review, and assess proposed and incoming regulatory change as part of our risk management process to mitigate and manage potential impacts on our business. For example, Vestel may be exposed to the risk of carbon taxes in certain parts of the world, where these taxes expected in the near future.
Technology	Relevant, always included	Vestel is a technology company at its core; hence technology is at the forefront of our every decision. However, technology can also bring risks in our operations. For example, we use manual labor in some of our processes. With our commitment to Industry 4.0 and automation, we will use more machinery instead of manual labor; therefore our energy consumption and costs can increase.
Legal	Relevant, always included	Failure to comply with our legal obligations in relation to climate change is a risk to our business. For example, there is a potential legal risk connected with the labelling of products. There can be litigation claims related to product labelling as "low carbon" & "green" products. These could lead to enforcement action, including fines.
Market	Relevant, always included	Any failure related to implementation of our environment and climate friendly business strategy and reduced environmental performance in our activities may result in losing of our consumers and our market share. For example, there is a risk of faster response by competitors, lagging behind in the market and missing new growth areas due to the developments and innovations regarding transition to a zero carbon economy.
Reputation	Relevant, always included	Vestel achieved the highest brand value and brand ranking in the "Turkey 100 2021" most valuable Turkish brands ranking of the international financial institution Brand Finance. Vestel rose from 16th to 11th in the ranking, becoming the fastest growing brand among the top 15 brands, both within and across sectors. Vestel's brand value increased by 44% in one year, increasing to USD 709 million from USD 493 million. This kind of reputation is key in our business, therefore we closely monitor risks related to reputation. For example, there is a risk of loss of reputation due to Vestel's potential failure to achieve its climate change-related targets and adaptation to climate change.
Acute physical	Relevant, always included	Acute physical climate risks, such as extreme weather events, pose numerous challenges to our operations and assets, due to the potential for disruption to critical processes and/or infrastructure. Some examples from our acute physical risks are identified as below: -Production interruption and losses at production facilities triggered by extreme weather events such as floods and tornadoes -Fires caused by extreme heat in forests and power lines close to Vestel -Potential price and supply fluctuations in input costs due to interruptions and pauses in the supply chain triggered by extreme weather events -Elevated seasonal water stress at our production plants and our suppliers due to high temperatures caused by climate change as well as decreased availability of high-quality and sufficient water in production activities
Chronic physical	Relevant, always included	Long-term changes to weather patterns present risks for our business. For example: -High temperatures affecting our manufacturing performance and increasing our cooling costs -Various potential malfunctions and deterioration in electronic components due to high temperatures -Risk of inundation of production facilities due to sea level rise in Manisa, Izmir and its surroundings.

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
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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

Europe accounts for 85-90% of the total international sales of Vestel Elektronik. There is a risk of various mechanisms such as carbon pricing in trading countries, carbon border adjustment mechanism (CBAM) under the European Green Deal, and emissions trading systems potentially creating a financial burden on the Company.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

48897984

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Financial impacts are calculated according to Emission Trading System (ETS) and Carbon Tax scenarios. If ETS comes into force in near term Vestel Elektronik would pay a Carbon Tax for its 2021 (scope 1&2) GHG emissions which is 62,330.79 tCO2e. Benchmark carbon prices in the EU Emission Trading System average 42.77 EUR. Source: <https://taxfoundation.org/carbon-taxes-in-europe-2022/> . Potential financial impact figure = (62,330.79 tCO2e) * (42.77 EUR/tCO2e) =2.665.888 EUR= 48,897,984TRY.

Cost of response to risk

424515

Description of response and explanation of cost calculation

If Vestel eliminates emissions from purchased electricity in Scope 2 with IREC purchase to mitigate risk of a carbon tax; the calculation would be as below. Vestel Elektronik's 2021 electricity consumption: 84,903 Mwh IREC cost: 5 TL/Mwh 84,903 Mwh*5 TRY= 424,515 TRY

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials
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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

The carbon border adjustment mechanism (CBAM) under the European Green Deal will impose the obligation for importers of certain carbon-intensive products to provide data on the imported goods and buy certificates corresponding to the emissions embedded in these products. The CBAM will apply in the first phase to the imports from non-EU countries of iron and steel, aluminum, cement, fertilizers and electricity. However, in the first years after then entry into force the Commission will make an assessment of the CBAM. If necessary, the Commission will propose to extend the CBAM to indirect emissions, as well as to other goods and services at risk of carbon leakage. As the price of the CBAM certificates will mirror the prices of the EU ETS allowances - the CBAM is expected to increase the costs for importers of steel within the scope of the CBAM. Imported steel will become more expensive. We expect that this will increase the overall cost of steel globally. Steel is one of the main raw materials of Vestel Elektronik. Vestel Elektronik used 23,036 tonnes of steel in 2021. Therefore, we are expecting a direct cost increase risk in the our direct operations.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

752337331

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

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

Cost of response to risk

5388980

Description of response and explanation of cost calculation

Response action: R&D studies were conducted in 2021 to decrease the amount of steel used in products with optimization studies. 538,898,000 TRY was spent to R&D in all Vestel Group of Companies in 2021. We estimate that 1% was spent in steel raw material reduction studies hence 5,388,980 TRY is calculated as the cost of response to risk in 2021.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Other, please specify (Energy Diagnosis (Audit) Regulation)
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We must conduct an energy diagnosis every 4 years. Failure to comply with the regulation can bring fines. Regardless of the regulation, we are aware that energy efficiency is key to decreasing emissions. Therefore, we conduct energy efficiency diagnosis (audit) and as a result invest in energy efficiency projects which increases our CAPEX.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

49000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Energy diagnosis operational cost: 49,000 TRY

Cost of response to risk

46689502

Description of response and explanation of cost calculation

32 energy efficiency project CAPEX that will take place between 2022-2025: 2,616,928 USD = 46,689,502 TRY (1 USD=17,84)

Comment**Identifier**

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences
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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

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

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7151507532

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Europe accounts for 85-90% of the total international sales of Vestel Elektronik. Sustainable sourcing commitments exist among 76% of retailers interviewed by International Trade Centre, European Commission. Currently, our sustainable products account for 24% of our revenues. Therefore, the remaining 76% of revenue is at risk due to changing consumer preferences. This risk can materialize if our sustainable product portfolio does not expand going forward and if we cannot provide carbon

reductions in our plants. The potential financial impact figure is calculated as the loss of customers in Europe: Vestel Beyaz Elektronik's 2021 revenue (13,757,132,063 TRY) x 76% of revenue at risk x 90% of revenues from EU market x 76% of customer loss risk = 7,151,507,532 TRY

Cost of response to risk

1820235

Description of response and explanation of cost calculation

To manage the risk, Vestel Elektronik is calculating its greenhouse gas emissions in its operations and validating in accordance with ISO 14064-1 Standard. Vestel Elektronik shares its GHG emissions with all stakeholders through its annual reports. Vestel Beyaz Eşya not only calculates but also takes action to reduce its carbon footprint. In 2021, we submitted a letter of commitment to set Science Based Targets (SBTi), a major step in reaching net zero emissions. To that end, we aim to switch to technologies that cause less greenhouse gas emissions from production, increase renewable energy use and manufacture products with high energy efficiency, less carbon emissions and a low environmental impact. In 2021, we launched 2 main energy efficiency projects, saving 1167 MWh of energy and 797,000 TRY. Thanks to the projects, we prevented 679 tonnes of carbon emissions. We reduced total electricity consumption per unit product by 4%, total steam consumption per unit product by 10% and total hot water consumption per unit product by 7% year-on-year. The cost of response to risk is calculated as these energy efficiency project costs that have been realized in 2021: 1,820,235 TRY In addition, In terms of reducing energy consumption of IT infrastructure, we run information systems data centers over consolidated servers as much as possible. In this context, we use virtual servers and consume less energy by minimizing the number of physical servers. In addition, cooling systems in data centers ensure that only necessary areas are cooled. Also, in terms of energy efficiency in products, we achieved 21% improvement in visual solutions sold in Turkey in 2021. Going forward, we'll invest more in energy efficiency both in our direct operations and in our products. We have energy efficiency investment project plans in place. 32 energy efficiency projects will take place between 2022-2025.

Comment

C2.4

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

Yes

C2.4a

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

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

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

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We expect a revenue increase through energy efficient TVs and Visual Solutions that answer the demand in the market.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

12152501835

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Estimation of 10% revenue increase from low carbon products: 12,152,501,835 TRY

Cost to realize opportunity

53889800

Strategy to realize opportunity and explanation of cost calculation

To realize the opportunity, we need to make further investments in our R&D to improve the energy efficiency of our products. 538,898,000 TRY was spent to R&D in all Vestel Group of Companies in 2021. We estimate that 10% of this budget has been allocated to energy improvement of products.

Comment

C3. Business Strategy

C3.1

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

Row 1

Transition plan

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

Publicly available transition plan

No

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

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

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

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

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

<Not Applicable>

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

<Not Applicable>

C3.2

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

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

C3.2a

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

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA 2DS	Company-wide	<Not Applicable>	Science Based Target Initiative's Sectoral Decarbonization Approach is based on the 2°C scenario (2DS) developed by the International Energy Agency (IEA). The 2DS scenario describes an energy and industrial system consistent with an emissions trajectory that, according to climate science, has a good chance of limiting global warming to less than 2°C. Based on our commitment to SBTi, we are also using this scenario when developing our targets and action plans. While we take this scenario in our analysis, we are targeting net zero emissions according to 1.5C in our scope 1&2. We are considering the 2C scenario for our scope 3 emissions which covers our biggest source of emissions. Assumptions: "IEA's 2°C Scenario is built on a projected warming limit of 2°C and is part of the annual publication "Energy Technology Perspectives", providing scenario analysis based on the development of lower carbon technology and its deployment in various sectors. The IEA ETP 2DS sets out an energy system development pathway and an emissions trajectory consistent with at least a 50% chance of limiting the average global temperature rise to 2°C. It sets the target of cutting CO2 emissions by almost 60% by 2050 (compared with 2013), followed by continued decline after 2050 until carbon neutrality is reached. It also identifies changes that help ensure a secure and affordable energy system in the long run, while emphasizing that transforming the energy sector is vital, but not enough on its own."
Physical climate scenarios RCP 2.6	Company-wide	<Not Applicable>	Science Based Target Initiative's Sectoral Decarbonization Approach uses the 2DS scenario developed by the IEA (IEA 2016), which is compatible with the RCP2.6 scenario. Therefore, in line with our commitment to SBTi, we are also using the RCP 2.6 scenario in our climate-related scenario analysis. Assumptions: "In RCP 2.6, radiative forcing peaks at 3.1 W/m2 before returning to 2.6 W/m2 by 2100, achieved through; a shift to renewable energy sources; CO2 remaining at today's level until 2020, then decline and becoming negative in 2100; and CO2 concentrations peaking by 2050, followed by a modest decline to around 400 ppm by 2100."
Physical climate scenarios RCP 4.5	Company-wide	<Not Applicable>	Second scenario is Moderate Emissions: Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2 degrees C by 2100.
Physical climate scenarios RCP 8.5	Company-wide	<Not Applicable>	Third scenario is High Emissions: Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4 degrees C by 2100.

C3.2b

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

Row 1

Focal questions

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

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

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

C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	1) Opportunity: More and more our B2B and B2C customers prefer more environmentally friendly products. Therefore, our strategy is to design TV & VS products that consume less energy and use less plastics. This way we will serve the environmentally conscious customers and increase our market share. 2) Risk: Our biggest scope 3 emissions come from the use of our products. Therefore, in order to achieve net zero emissions by 2050 we need to design energy efficient products that perform much better than the market average in EU which is our biggest market.
Supply chain and/or value chain	Yes	Our 2nd biggest scope 3 emissions (hence climate-related risk) come from products used by organization: purchased goods & services and capital goods. Therefore, our strategy is to educate our critical suppliers and encourage them to submit Science Based Targets & decrease their own emissions. We are starting Vestel Supplier Monitoring and Development Program in 2022.
Investment in R&D	Yes	R&D and innovation is our number 1 priority according to our materiality analysis. We are a technology company at our core. Based on our strategy, we allocate approximately 2% of our revenues to R&D activities every year. As of 2021, we are one of the top 10 companies in Turkey with the highest R&D spending. We were awarded with the Best R&D Center Award in our sector this year at the Technology Development Zones and R&D Centers Awards presented by the Ministry of Industry and Technology of the Republic of Turkey. We invest in energy efficiency both in our operations and our products. We are conducting R&D studies for the use of recycled raw materials in our products to decrease our carbon footprint. We work on increasing the recyclability of our products.
Operations	Yes	We manufacture TV and VS products in 6 plants which are based in Manisa Organized Industrial Zone. Based on our risk analysis, we put great emphasis on energy efficiency in our operations. We conducted an energy diagnosis (audit) in 2021 in all of our plants and planned 32 different energy efficiency projects which will save around 20000 MWh of energy and will be completed by 2025. We are also looking for alternatives to the use of natural gas and steam in process as the current technology cannot reach the temperatures we require in some of our processes. We are planning on purchasing I-RECs to mitigate our emissions coming from the purchase of electricity.

C3.4

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

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Liabilities	Capital Expenditures: Energy efficiency projects in operations. 2.6 million USD is allocated for the execution of 32 energy efficiency projects by 2025. Indirect costs: Our climate-related risks have influenced our insurance costs and energy costs. For example we are better prepared for the energy price fluctuations in the market. Direct costs: Our climate-related risks have influenced our financial planning of raw materials such as steel and virgin plastics Liabilities: Our climate-related risks have influenced our regulation compliance costs such as R&D spending in Eco-Design energy regulation Revenues: Our climate-related risks and opportunities have influenced our financial planning regarding estimations of revenue from energy efficient & low carbon products. As of 2021 24% of our revenue comes from low carbon products.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

No, but we plan to in the next two years

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

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2021

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

2438.71

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

59892.07

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

<Not Applicable>

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

62330.79

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

100

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

100

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

<Not Applicable>

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

100

Target year

2030

Targeted reduction from base year (%)

42

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

36151.8582

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

2438.71

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

59892.07

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

<Not Applicable>

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

62330.79

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

0

Target status in reporting year

New

Is this a science-based target?

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

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

Vestel Elektronik which is "Vestel Group of Companies" will submit its Science Based Targets in 2023 to SBTi as a "Group" that consists of 26 companies. Since this CDP report's coverage is only Vestel Elektronik's electronics plants (6 plants which manufacture TV & VS, electronic cards), we are giving our Science Based Targets based on SBTi's 1.5 C aligned target ambition for our electronics plants. Taking 2021 as base year, our target is to achieve our Science Based Targets by 2030. According to SBTi; we need to reach 36152 tCO2e in Scope 1&2 emissions by 2030 --> Scope 1 target: 1414 tCO2e; Scope 2: 34737 tCO2e by 2030 Goring further, we target becoming a net zero company in our scope 1&2 emissions by 2030. Since SBTi doesn't count carbon offsetting, we will analyze our options in carbon capture and storage options for our residual emissions.

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

1) Energy efficiency projects: We planned energy efficiency projects year-on-year until 2025. According to this plan, we'll conduct 32 projects which will save around 20000 Mwh of energy. We'll conduct another energy diagnosis (audit) in 2025 to identify more energy efficiency projects to be finalized between 2025-2030. In 2021, our base year, we saved 1167 Mwh of energy with 2 major energy efficiency project. 2) Exiting natural gas and steam in the process: Current technology is not suited for going up to the high temperatures that we require in some of our processes. In 2021, we kept following the trends in the energy sector, however there was no available technology. 3) Renewable energy transition: We planned the purchase of IRECs to decrease scope 2 emissions from the purchased electricity. In 2021, we analyzed our roofs for the installation of solar panels; unfortunately it is not possible to install panels without strengthening our roofs which is not feasible. Therefore, we planned the IREC purchase to achieve our Science Based Targets. Since 2021 was our base year, we did not purchase IRECs for 2021.

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

<Not Applicable>

C4.2

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

Net-zero target(s)

C4.2c

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

Target reference number

NZ1

Target coverage

Company-wide

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

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

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

Please explain target coverage and identify any exclusions

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

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

Yes

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

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

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

We are starting "Vestel Supplier Monitoring and Development Program" in 2022 to engage our suppliers to submit their own Science Based Targets.

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	2	679
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	Compressed air
---	----------------

Estimated annual CO2e savings (metric tonnes CO2e)

643

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

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

713001

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

1805235

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Compressor use according to the needs in the EPS plant

Initiative category & Initiative type

Energy efficiency in production processes	Motors and drives
---	-------------------

Estimated annual CO2e savings (metric tonnes CO2e)

36

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

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

39551

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

15000

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Made compressor cooling tower pumps more efficient

C4.3c

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

Method	Comment
Dedicated budget for energy efficiency	We invest in energy efficiency projects to drive emission reductions in scope 1 & 2 emissions. We have a dedicated budget for energy efficiency projects year-on-year until 2025. According to this plan, we'll conduct 32 projects which will save around 20000 Mwh of energy. We'll conduct another energy diagnosis (audit) in 2025 to identify more energy efficiency projects to be finalized between 2025-2030.
Dedicated budget for low-carbon product R&D	We allocate approximately 2% of our revenues to R&D activities every year. A big part of this R&D budget goes to designing energy efficient products which use less raw materials or recycled materials to decrease carbon emissions in scope 3. As of 2021, we are one of the 10 companies in Turkey with the highest R&D spending. We were awarded with the Best R&D Center Award in our sector this year at the Technology Development Zones and R&D Centers Awards presented by the Ministry of Industry and Technology of the Republic of Turkey.
Dedicated budget for other emissions reduction activities	We're working on the purchase of IRECs and budgeting the investments accordingly.

C4.5

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

Yes

C4.5a

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

Level of aggregation

Product or service

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

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

Type of product(s) or service(s)

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

Description of product(s) or service(s)

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

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

Yes

Methodology used to calculate avoided emissions

Other, please specify (TVs, sold in the EU and Turkey, that are more energy efficient than the market average are considered low carbon products. The markets' averages are taken from GFK EU25 and GFK Turkey market research reports.)

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

Use stage

Functional unit used

kwh consumption of TVs are used to calculate emissions

Reference product/service or baseline scenario used

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

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

Use stage

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

35853

Explain your calculation of avoided emissions, including any assumptions

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

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

24

C5. Emissions methodology

C5.1

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

No

C5.1a

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

Row 1

Has there been a structural change?

No

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

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

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

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	According to ISO 14064's 2018 version, emissions are calculated as Category 1, Category 2, Category 3, Category 4, Category 5, Category 6. Before 2021, we were only calculating our Scope 1 & Scope 2 emissions. With ISO 14064's new version, we started to calculate our Scope 3 emissions; hence the scope of our calculation has expanded. ISO 14064 categorizes Scope 3 emissions as Category 3-4-5-6.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	We have a new base year: 2021. We calculated scope 1-2-3 emissions for the base year 2021. We used this base year in our targets.

C5.2

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

Scope 1

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

2438.71

Comment

Calculated based on ISO 14064 methodology

Scope 2 (location-based)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

59892.07

Comment

Calculated based on ISO 14064 methodology

Scope 2 (market-based)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

436905

Comment

Scope 3 category 2: Capital goods

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

59621

Comment

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

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

32833.31

Comment

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

113

Comment

Scope 3 category 6: Business travel

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

326.06

Comment

Scope 3 category 7: Employee commuting

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

15592.909

Comment

Scope 3 category 8: Upstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

950

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

4396.8

Comment

Scope 3 category 11: Use of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

1630031.39

Comment

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

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

14508.75

Comment

Scope 3 category 13: Downstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

16595.9

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

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

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)

2438.71

Start date

January 1 2021

End date

December 31 2021

Comment

Refrigerant gas leaks, SF6 leaks, natural gas, diesel, machine oil, CO2 fire extinguishers

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

2216.37

Start date

January 1 2020

End date

December 31 2020

Comment

Refrigerant gas leaks, SF6 leaks, natural gas, diesel, machine oil, CO2 fire extinguishers

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

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

Comment

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

C6.3

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

Reporting year

Scope 2, location-based

59892.07

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

January 1 2021

End date

December 31 2021

Comment

Electricity, hot water, steam

Past year 1

Scope 2, location-based

54786.66

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

January 1 2020

End date

December 31 2020

Comment

Electricity, hot water, steam

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

Emissions in reporting year (metric tons CO2e)

425488.84

Emissions calculation methodology

Spend-based method

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

0

Please explain

Purchased goods and services are calculated by using USD purchase amount x emissions factor of the product/service type

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

59621

Emissions calculation methodology

Spend-based method

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

0

Please explain

Capital goods are calculated by using USD purchase amount x emissions factor of the product/service type

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

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

We account this in the energy uncertainty calculations

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

32833.31

Emissions calculation methodology

Distance-based method

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

0

Please explain

Upstream transportation and distribution (road, sea, air and rail transportation) are calculated.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

113

Emissions calculation methodology

Waste-type-specific method

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

0

Please explain

Plastic, paper, metal and domestic waste was included in the calculation. Electronic waste, contaminated waste, waste hydraulic oil, specific waste chemicals were not calculated as the emission factors could not be found.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

326.06

Emissions calculation methodology

Hybrid method

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

100

Please explain

Business travel is calculated according to the km distance traveled x emissions factor. Hotel accommodation is calculated based on number of rooms and nights x emissions factor.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

15592.909

Emissions calculation methodology

Distance-based method

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

0

Please explain

Third party contracted buses used for commuting are calculated based on distance.

Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

950

Emissions calculation methodology

Spend-based method

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

0

Please explain

Greenhouse Gas Protocol Quantis tool is used for the calculation. USD spent x emission factor

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Distribution and sales of the products we produce are conducted by Vestel Ticaret A.Ş. Vestel Ticaret A.S. is a separate legal entity; we're obtaining information for the emissions.

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4396.8

Emissions calculation methodology

Spend-based method

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

0

Please explain

Greenhouse Gas Protocol Quantis tool is used for the calculation. USD spent x emission factor

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1630031.39

Emissions calculation methodology

Asset-specific method

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

0

Please explain

TV and VS products have 10 year life time. We calculate this category as: the kwh consumption of the product (kwh) x 10 years

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

14508.75

Emissions calculation methodology

Average product method

Waste-type-specific method

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

0

Please explain

Average weight of our products x emission factor of end of life treatment

Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

16595.9

Emissions calculation methodology

Spend-based method

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

0

Please explain

Greenhouse Gas Protocol Quantis tool is used for the calculation. USD gained x emission factor

Franchises

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

We don't have any franchises as Vestel Elektronik's manufacturing plants, however we're going to gather information from Vestel Ticaret going forward.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

We don't have investments in other companies as Vestel Elektronik's manufacturing plants.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

No other upstream activities are in the scope.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

No other downstream activities are in the scope.

C6.5a

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

Past year 1

Start date

January 1 2020

End date

December 31 2020

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

Scope 3: Capital goods (metric tons CO2e)

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

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

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

Scope 3: Business travel (metric tons CO2e)

285.68

Scope 3: Employee commuting (metric tons CO2e)

17645.195

Scope 3: Upstream leased assets (metric tons CO2e)

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

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

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

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

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

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

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

Comment

C6.7

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

No

C6.10

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

Intensity figure

0.0000045

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

62330.79

Metric denominator

unit total revenue

Metric denominator: Unit total

13757132063.38

Scope 2 figure used

Location-based

% change from previous year

27

Direction of change

Decreased

Reason for change

Our revenue increased in 2021 significantly; therefore our overall intensity figure decreased.

Intensity figure

0.0082

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

62330.79

Metric denominator

unit of production

Metric denominator: Unit total

7595813

Scope 2 figure used

Location-based

% change from previous year

8

Direction of change

Increased

Reason for change

2020 was the peak of the pandemic, our production fluctuated while our energy consumption increased to make fresh air available in all areas of the plants.

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 CO ₂ e)	GWP Reference
CO ₂	2314.065	IPCC Fifth Assessment Report (AR5 – 100 year)
CH ₄	1.583	IPCC Fourth Assessment Report (AR4 - 100 year)
N ₂ O	0.834	IPCC Fourth Assessment Report (AR4 - 100 year)
SF ₆	26.484	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	94.358	IPCC Fifth Assessment Report (AR5 – 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	2438.71

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	1640.719
Mobile Combustion	649.152
Leakage Gas Emissions	120.968
Other (Machine oil)	27.874

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)
Turkey	59892.07	0

C7.6

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

By facility

C7.6b

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

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electronic Card Plant	7876	0
EPS Plant	9577	0
Plastics Plant	23166	0
Sub-Assembly Plant	3620	0
High-End Plant	5906	0
Digital Plant	1926	0
Warehouses	2204	
Administration Buildings	4169	
Kitchen	1322	

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?

Increased

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		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology	7532.21	Increased	14	Our energy consumption (electricity, hot water, steam) has decreased compared to 2020. However, the electricity emission factor in 2020 was taken as 0.437; where in 2021, it was taken as 0.582. This has caused the increase in total emissions due to change in methodology.
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

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

Location-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	16055.32	16055.32
Consumption of purchased or acquired electricity	<Not Applicable>	0	84902.58	84902.58
Consumption of purchased or acquired heat	<Not Applicable>	0	4519.71	4519.71
Consumption of purchased or acquired steam	<Not Applicable>	0	56733.24	56733.24
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	162210.84	162210.84

C8.2b

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

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

C8.2c

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

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Gas

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

13628.32

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

13628.32

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

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

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

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

2427

MWh fuel consumed for self-generation of electricity

2427

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Diesel is used for generators to produce electricity.

Total fuel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

16055.32

MWh fuel consumed for self-generation of electricity

2427

MWh fuel consumed for self-generation of heat

13628.32

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Natural Gas is used in heating as well as some of the processes where high temperatures are required. Diesel is used for generators to produce electricity.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Turkey

Consumption of electricity (MWh)

84902.58

Consumption of heat, steam, and cooling (MWh)

61252.94

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

146155.52

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

2.57

Metric numerator

Total kg of waste

Metric denominator (intensity metric only)

Total unit of production

% change from previous year

15

Direction of change

Increased

Please explain

We had an overall increase in waste amounts; we are conducting an analysis on the matter to decrease the amount going forward.

Description

Energy usage

Metric value

21.36

Metric numerator

Total kwh of energy used

Metric denominator (intensity metric only)

Total unit of production

% change from previous year

5

Direction of change

Decreased

Please explain

We invested in energy efficiency projects in 2021 which had a positive effect on our overall energy performance.

C10. Verification

C10.1

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

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

C10.1a

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Third party verification/assurance underway

Attach the statement

VEL Carbon Footprint Report 2021.pdf

14064 Verification_Statement_GHG_VESTEL_2021.pdf

Page/ section reference

All pages. Please note that this report is going to be revised in 2022 to be more accurate within the scope. The additions to emissions have been entered in this CDP report.

Relevant standard

ISO14064-1

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

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Third party verification/assurance underway

Attach the statement

VEL Carbon Footprint Report 2021.pdf

14064 Verification_Statement_GHG_VESTEL_2021.pdf

Page/ section reference

All pages. Please note that this report is going to be revised in 2022 to expand the scope. The additions to emissions have been entered in this CDP report.

Relevant standard

ISO14064-1

Proportion of reported emissions verified (%)

100

C10.1c

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

Scope 3 category

Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Upstream leased assets
Scope 3: Processing of sold products
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products
Scope 3: Downstream leased assets

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Third party verification/ assurance underway

Attach the statement

VEL Carbon Footprint Report 2021.pdf
14064 Verification_Statement_GHG_VESTEL_2021.pdf

Page/section reference

All pages. Please note that this report is going to be revised in 2022 to expand the scope. The additions to emissions have been entered in this CDP report.

Relevant standard

IS)14064-1

Proportion of reported emissions verified (%)

90

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?

Vestel makes 85-90% of its international sales to Europe. In the medium term, we may have risks such as the financial burden on the Company of various mechanisms such as carbon pricing in trading countries, border carbon regulation (SKD) within the scope of the European Green Deal, and emissions trading system.

There may also be a risk that increased carbon costs will reflect on product prices, increasing barriers to entry into certain markets.

However, it is not currently included in the Vestel carbon pricing system.

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/clients

C12.1a

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

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

5

% total procurement spend (direct and indirect)

80

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

80

Rationale for the coverage of your engagement

We identify suppliers that have a critical impact on our business processes. Our critical suppliers are high volume suppliers, critical material suppliers, non-substitutable suppliers, suppliers identified as a result of Pareto Analysis and Kraljic Matrix. These suppliers cover 80% of our purchasing volume. We target these suppliers in our engagement strategy.

Impact of engagement, including 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 Science Based Targets to SBTi.

Comment

C12.1b

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

Type of engagement & Details of engagement

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

% of customers by number

100

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

0

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

We share information about our climate strategy with our B2B and B2C customers on an annual basis. We share detailed information through our annual integrated report. http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_elektronik_integrated_annual_report_2021.pdf -- please see A Net Zero Company section for details.

Impact of engagement, including measures of success

Measure of success is % of customers contacted regarding our climate-related performance.

C12.2

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

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

C12.2a

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

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Based on our Supplier Code of Conduct; below clauses must be agreed to become our supplier. The code of conduct is a part of our purchasing contract. -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.

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

100

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

100

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

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

Retain and engage

C12.3

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

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

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

Yes

Attach commitment or position statement(s)

http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_elektronik_integrated_annual_report_2021.pdf -- please see A Net Zero Company section for details. Climate Crisis and Net Zero Targets We aim to achieve net zero emissions by 2050 and are working on our decarbonization plan as part of our commitment to set Science Based Targets (SBTi). It is critically important to reach net zero in greenhouse gas emissions as quickly as possible to curb the climate crisis and keep global warming below 1.5 °C by 2050. To that end, the net zero targets declared by countries gain significance. The European Union aims to secure net zero emissions by 2050 through the EU Green Deal. As part of this target, it will transform its trading sectors. In addition to the EU, the USA and China, which are responsible for a considerable portion of greenhouse gas emissions today, have committed to reach net zero emissions by 2050 and 2060, respectively. Turkey, on the other hand, ratified the Paris Agreement in 2021 and set a net zero emission target by 2053. The private sector plays a major role in reaching these targets declared by countries. Considering the number of employees, annual production capacity and the impact of global supply chains, the potential effectiveness of private sector action is evident. In line with the global agenda, we aim to reach net zero emissions by 2050, first in our own operations and then throughout our entire value chain. By making low-carbon technologies more commonplace, we are on our way to becoming a climate-friendly company. In 2021, we submitted a letter of commitment to set Science Based Targets (SBTi), a major step in reaching net zero emissions. To that end, we aim to switch to technologies that cause less greenhouse gas emissions from production, increase renewable energy investments and manufacture products with high energy efficiency, less water consumption, less carbon emissions and a low environmental impact. As part of SBTi efforts, we started a detailed process to collect data in order to calculate Scope 3 emissions in 2021. Accordingly, we will draft a plan for both operations and the decarbonization of the value chain. Position Statement: A Net Zero Company Applying innovative business models and adopting the circular economy for transition to an economy based on net zero emissions: • Achieving net zero emissions, first in our own operations and then in our entire value chain • Introducing circular models that improve our impact on natural resources

vestel_elektronik_EN -annual_report_2021.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Investment in energy efficiency projects in the process. Investment in R&D to increase the energy efficiency of products.

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

<Not Applicable>

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

<Not Applicable>

C12.3b

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

Trade association

National Association of Manufacturers

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

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

They have working groups on Green Deal and other climate-related subjects. They support decarbonization.

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

9000

Describe the aim of your organization's funding

membership fee

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

Yes, we have evaluated, and it is aligned

C12.4

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

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

vestel_elektronik_EN -annual_report_2021.pdf

Page/Section reference

A Net Zero Company

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

C15. Biodiversity

C15.1

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

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

C15.2

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

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

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance	Governance: page 34 Biodiversity related response: page 149 vestel_elektronik_EN -annual_report_2021.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please see our Integrated Report for further information about our climate-related activities. We have a strategic pillar specific for climate change: A Net Zero Company
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C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Sustainability Manager	Environment/Sustainability manager

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