

W0. Introduction

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W0.1

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**(W0.1) Give a general description of 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.

**For a sustainable future and transition to an economy based on net zero emissions, we trigger transformation across our entire value chain. We leverage the power of Industry 4.0 and automation to support the reduction of energy consumption through operational improvements and innovative products. We implement circular models to improve resource efficiency in production and reduce our environmental impact from products.**

W0.2

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

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

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

Turkey

W0.4

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

TRY

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

## W0.7

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

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

## W1. Current state

### W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Neutral	Vestel Elektronik is located in Manisa Organized Industrial Zone. Water is not a direct raw material in our products; however sufficient amounts of good quality water is important because we use water in some production processes such as plastic injection, paint shop, EPS production. We also use water for personal hygiene purposes, garden irrigation and fire hydrants. However, high quality is not necessary for these processes. Indirect use of water is neutral because water use in our value chain is not a major material issue. We manufacture TVs, Visual Solutions and electronic cards so, water is not needed for the use of your products by our customers. We do not anticipate any changes on direct and indirect use importance rating in the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Not very important	Currently, there is no recycled water us in our plants. Water re-use is available only for certain processes. Therefore, we are at a neutral position. However, it will become more important in the future because we have a target of using 50% recycled water by 2030. We're planning on accomplishing this target by purchasing recycled water from Manisa Organized Industrial Zone as they are building an advanced treatment wastewater facility to serve the Zone. Recycled water is not necessarily a major topic in our value chain and we do not anticipate it to change going forward.

### W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawals - total volumes are monthly measured, monitored and billed by Manisa Organized Industrial Zone Directorate. Our water withdrawal is also measured and monitored by our Maintenance & Utilities Department using counters. In addition, our water footprint is calculated by ISO 14046 standard and verified by 3rd party independent parties.
Water withdrawals – volumes by source	100%	100% of our water withdrawal volumes by source are measured and monitored using counters in each plant. Also, Manisa Organized Industrial Zone bills municipal water and groundwater (well) by source on a monthly basis.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	76-99	80% of our water use is municipal water. Municipal water quality measurements are conducted every month by Manisa Organized Industrial Zone at the Public Health Directorate. Water hardness and conductivity measurements are made in plants, at the outlets of water softening systems and reverse osmosis systems. Groundwater (well water) quality measurements does not take place because it is only used in garden irrigation and fire tanks.
Water discharges – total volumes	100%	Vestel Elektronik discharges its wastewater to the wastewater treatment facility of Manisa Organized Industrial Zone. Manisa Organized Industrial Zone measures and monitors the total amount of water discharge and bills Vestel Elektronik on a monthly basis.
Water discharges – volumes by destination	100%	Vestel Elektronik discharges 100% of its wastewater to the wastewater treatment facility of Manisa Organized Industrial Zone. Therefore the destination of total volume is monitored and measured.
Water discharges – volumes by treatment method	100%	Vestel Elektronik discharges 100% of its wastewater to the wastewater treatment facility of Manisa Organized Industrial Zone. This amount is measured and monitored on a monthly basis. Manisa Organized Industrial Zone uses activated sludge process to treat the wastewater of all companies in the Zone. After the treatment, treated water is discharged to Karacay Creek; and then to Gediz River by the Industrial Zone.
Water discharge quality – by standard effluent parameters	100%	Vestel Elektronik discharges 100% of its wastewater to the wastewater treatment facility of Manisa Organized Industrial Zone. Every month, Industrial Zone representatives come to take samples from the discharge points of the plants. So, water discharge quality by standard effluent parameters are measured and monitored on a monthly basis. Major wastewater parameters monitored are: chemical oxygen demand, suspended solids, oil and grease, pH, total chromium, total nickel, total copper, total lead, total zinc.
Water discharge quality – temperature	100%	Vestel Elektronik discharges 100% of its wastewater to the wastewater treatment facility of Manisa Organized Industrial Zone. Every month, Industrial Zone representatives come to take samples from the discharge points of the plants. During this sampling process, the temperature of the wastewater is also measured and monitored. Therefore all water discharge temperature is monitored and measured.
Water consumption – total volume	100%	100% of water consumption data is measured and monitored on a monthly basis. Water consumption data is calculated as: Total Net Water Consumption = Total Water Withdrawal - Water Discharged. Water withdrawal and water discharge data is taken from the monthly bills and counters as explained above.
Water recycled/reused	Not monitored	We do not have counters for recycled water as of 2021 but we are planning on expanding our water monitoring system going forward. We'll also be able to monitor the recycled water use from the bills because we are planning on purchasing recycled water from Manisa Organized Industrial Zone.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Vestel Elektronik provides safe and sanitary work environment to all its employees. Municipal water is monitored by Manisa Organized Industrial Zone by analyzing it on a monthly basis. Drinking water is purchased in dispenser size bottles. Drinking water analysis is done every 3 months by H&S Department. Both sources of water are sent to Public Health Directorate. The Directorate measures sanitation and hygiene parameters to make sure that water is safely managed.

**W1.2b**

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	525.73	Much lower	It consists of municipal water and groundwater (well) water. Overall water withdrawal has decreased due to water efficiency projects such as installation of faucets with sensors.
Total discharges	473.16	Much lower	Our wastewater is discharged to treatment in Manisa Organized Industrial Zone. Water discharge is directly linked to water withdrawal quantity. Since water withdrawal decreased, total discharges decreased, as well.
Total consumption	52.57	Much lower	Total Net Water Consumption = Total Water Withdrawal - Water Discharged. Overall water consumption has decreased.

**W1.2d**

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

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	100%	Lower	WRI Aqueduct	Vestel Elektronik plants are located in: Manisa Organized Industrial Zone, Manisa, Turkey Major Basin: Mediterranean Sea, East Coast Minor Basin: Gediz River WRI Aqueduct Overall Water Risk: High (3-4) We withdraw 100% of our water from this area which is indicated as a water stress area. Being aware of this fact, we put emphasis on our water efficiency projects and decreased the total amount of water withdrawal compared to the previous year.

**W1.2h**

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Relevant	104.73	Lower	Groundwater (well water): We decreased our overall water consumption in our plants with water projects.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	
Third party sources	Relevant	421	Lower	Municipal Water: We decreased our overall water consumption in our plants with water projects. Also, our consumption had increased in 2020 because of the water use for hygiene purposes due to pandemic. We observed a decrease in consumption for personal use in 2021.

**W1.2i**

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	
Third-party destinations	Relevant	473.16	Lower	Vestel Elektronik discharges 100% of its wastewater to the wastewater treatment facility of Manisa Organized Industrial Zone. The wastewater quantity is directly linked to water withdrawal; so a decrease in withdrawal quantity enabled lower wastewater quantity in 2021.

**W1.2j**

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

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Relevant	473.16	Lower	100%	Vestel Elektronik discharges 100% of its wastewater to Manisa Organized Industrial Zone's wastewater treatment plant without pre-treatment as our wastewater is not heavy in wastewater parameters. Manisa Organized Industrial Zone uses activated sludge process method to treat wastewater, then discharges it to Karacay Creek, which is connected to Gediz River. Wastewater discharge is connected directly to water withdrawal quantity. The water withdrawal has decreased hence the discharged water has decreased, as well.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

**W1.3**

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

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	13571320 63.38	525.73	2581424.04538451	We anticipate a decrease in our total water withdrawal efficiency because our revenue is expected to increase and we are conducting more water efficiency projects going forward.

## W1.4

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

Yes, our suppliers

Yes, our customers or other value chain partners

## W1.4a

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

#### Row 1

##### % of suppliers by number

1-25

##### % of total procurement spend

76-100

#### Rationale for this coverage

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

#### Impact of the engagement and measures of success

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

#### Comment

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

## W1.4b

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

#### Type of engagement

Onboarding & compliance

#### Details of engagement

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

#### % of suppliers by number

76-100

#### % of total procurement spend

76-100

#### Rationale for the coverage of your engagement

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

#### Impact of the engagement and measures of success

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

#### Comment

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## W1.4c

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

We make OEM and ODM production for many important and world-renowned brands. We are an important and critical supplier to these major brands. We share our annual water consumption with our customers as well as our work on water projects to create engagement. Another key stakeholder for Vestel Elektronik is Manisa Organized Industrial Zone. We engage with them on subjects such as water quality and water stress. We share our water stewardship programs through our Integrated Report (as Vestel Group of Companies) with all of our stakeholders in our value chain.

[http://www.vestelinvestorrelations.com/en/\\_assets/pdf/vestel\\_elektronik\\_integrated\\_annual\\_report\\_2021.pdf](http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_elektronik_integrated_annual_report_2021.pdf) Page:93 and 157

## W2. Business impacts

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## W2.1

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

No

## W2.2

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(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

## W3. Procedures

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### W3.3

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(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

### W3.3a

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

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

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

More than 6 years

**Type of tools and methods used**

Tools on the market

International methodologies and standards

Databases

**Tools and methods used**

EcoVadis

SEDEX

WRI Aqueduct

WWF Water Risk Filter

Environmental Impact Assessment

IPCC Climate Change Projections

ISO 14001 Environmental Management Standard

ISO 14046 Environmental Management - Water Footprint

**Contextual issues considered**

Water availability at a basin/catchment level

Water regulatory frameworks

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

**Stakeholders considered**

Customers

Employees

Investors

Regulators

Suppliers

Water utilities at a local level

**Comment**

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### W3.3b

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

Vestel Elektronik uses various tools for risk assessment as selected in the question above. These risks are identified using ISO 14001 EMS risk & opportunities analysis. When identifying water-related risks, we first consider the processes, 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 water-related risks as a part of our environmental management system. 1 indicates the lowest, 5 indicates the highest risk. In addition, water risks are determined by the WWF Water Risk Filter and WRI Aqueduct Water Risk Atlas, and the analysis results are reviewed annually. 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.

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

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

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

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

## W4. Risks and opportunities

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### W4.1

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

No

### W4.1a

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

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

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

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

## W4.2b

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

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

## W4.2c

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

	Primary reason	Please explain
Row 1	Evaluation in progress	In 2022, we'll start Vestel Supplier Monitoring and Development Program where we will be able to assess water risks in our value chain.

## W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

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

### Type of opportunity

Efficiency

### Primary water-related opportunity

Water recovery from sewage management

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

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

### Estimated timeframe for realization

4 to 6 years

### Magnitude of potential financial impact

Low-medium

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

Yes, a single figure estimate

### Potential financial impact figure (currency)

3008311

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

<Not Applicable>

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

<Not Applicable>

### Explanation of financial impact

50% of water consumption estimation in 2025 is multiplied by estimated recycled water unit cost in 2025. This is the cost of the opportunity per year. Had we built our own advanced wastewater treatment plant it would cost us much more; therefore this is an opportunity for Vestel Elektronik.

## W6. Governance

### W6.1

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

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



W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of water-related performance standards for direct operations Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action	Vestel Elektronik's Environmental Policy and water targets apply to all operations throughout the company. This policy is in line with ISO 14001 EMS standards. Based on this policy: We will work to reduce environmental impacts by developing energy efficient, environmentally friendly products, and for this purpose, we will ensure that product designs and technology are constantly developed and improved. We will reduce the consumption of natural resources, especially raw materials, energy, water and chemicals, during the design and manufacturing stages. We will ensure responsible and reasonable use of water, improve water performance, and assess water stress and risks. We will perform works to increase the environmental awareness and performance of our internal and external stakeholders, by using all our communication resources. We will provide continuous training to our employees so that they acquire the right behaviour habits regarding environmental awareness. Our Environmental Policy can be seen at: <a href="http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel-elektronik-management-system-policy.pdf">http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel-elektronik-management-system-policy.pdf</a> Water Stewardship progress can be seen at: <a href="http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_elektronik_integrated_annual_report_2021.pdf">http://www.vestelinvestorrelations.com/en/_assets/pdf/vestel_elektronik_integrated_annual_report_2021.pdf</a> - page 93 VEL Annual Integrated Report_2021.pdf VEL Yönetim Sistemleri Politikası_ENG.pdf

W6.2

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

Yes

W6.2a

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

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

W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	Vestel's CEO reports directly to the Board of Directors and is the head of Vestel Sustainability Committee. Vestel Sustainability Committee meets quarterly. Sustainability Committee is responsible from governance mechanisms of all water-related issues as selected above.

W6.2d

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

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

**W6.3**

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

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

Chief Executive Officer (CEO)

**Responsibility**

Other, please specify (Making decisions regarding water-related issues based on identified and assessed risks and opportunities)

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

Quarterly

**Please explain**

Vestel's CEO is the head of Vestel Sustainability Committee. Vestel Sustainability Committee meets quarterly. CEO makes the decisions regarding water-related issues based on identified and assessed risks and opportunities.

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

Sustainability committee

**Responsibility**

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

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

Quarterly

**Please explain**

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

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

Environment/Sustainability manager

**Responsibility**

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

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

Not reported to board

**Please explain**

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

**W6.4**

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

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

## W6.5

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

Yes, trade associations

## W6.5a

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

Vestel Elektronik complies with all related regulations and standards and ensures its compliance via periodic controls. The Company works closely with trade associations, attends seminars and workshops, follows new developments closely and gives its opinions on draft regulations. The opinions are given based on Vestel Elektronik's water policy/water commitments.

## W6.6

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

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

VEL Yönetim Sistemleri Politikası\_ENG.pdf

## W7. Business strategy

### W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	One of our long-term business objectives is being resilient in the areas we operate. Therefore we have a target to use 50% recycled water by 2030 in our own operations. Our operations target is to reduce water consumption per unit of product by 7% by 2030 taking 2021 as the base year.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	In order to achieve our long-term objectives, we have identified a specific pillar in our business strategy: To become a net zero company. In this regard, we are applying innovative business models and adopting the circular economy. Under this strategy, we will invest in water re-use and recycling projects.
Financial planning	Yes, water-related issues are integrated	5-10	We have allocated budgets for water-related matters to achieve our long-term objectives. For example, we are going to purchase water meters to increase the traceability of important water streams.

### W7.2

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

Row 1

Water-related CAPEX (+/- % change)

10

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

100

Water-related OPEX (+/- % change)

46

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

25

Please explain

Water related CAPEX has increased from 2020 to 2021 as we increased our investment in faucets with sensors to reduce the water consumption for personal use which is one of our biggest water consumption sources. We anticipate to increase our CAPEX as we identified 4 major projects for water efficiency in the plants: rainwater collection, reducing water consumption by using environmentally friendly chemicals in the paint shop, truck washing process water recycling and decreasing water use in bathrooms. Our OPEX is consisted of water supply costs (both municipal and groundwater), wastewater treatment costs, ISO 14064 certification costs and water analysis costs. We have seen 46% increase in these costs year-on-year. We anticipate a further 25% increase in our OPEX costs driven by the cost of supplied water. Also, since our target is to use 50% recycled water by 2030; our water supply costs will increase as the unit price of the recycled water will be higher than regular water unit costs.

### W7.3

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

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

W7.4

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

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

W7.5

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

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Other, please specify (Water is not a direct raw material for our products. For this reason, categorization is not currently available.)	Water is not a direct raw material in our products. For this reason, categorization is not currently available.

W8. Targets

W8.1

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

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

W8.1a

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

Target reference number

Target 1

Category of target

Water consumption

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Water withdrawal (m3) volume / total production units. Our target is to reduce water consumption per unit of product by 7% by 2030 taking 2021 as the base year.

Quantitative metric

% reduction per product

Baseline year

2021

Start year

2021

Target year

2030

**% of target achieved**

0

**Please explain**

Our target is to reduce water consumption per unit of product by 7% by 2030 taking 2021 as the base year. Since our base year is 2021, we'll show our achievement in the next years. To achieve our target, we already identified 4 major projects for water efficiency in the plants: rainwater collection, reducing water consumption by using environmentally friendly chemicals in the paint shop, truck washing process water recycling and decreasing water use in bathrooms.

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**Target reference number**

Target 2

**Category of target**

Water recycling/reuse

**Level**

Company-wide

**Primary motivation**

Risk mitigation

**Description of target**

Using 50% recycled water by 2030.

**Quantitative metric**

% increase in water use met through recycling/reuse

**Baseline year**

2021

**Start year**

2021

**Target year**

2030

**% of target achieved**

0

**Please explain**

Our target is using 50% recycled water by 2030. Since our new base year is 2021, we'll show our achievement in the next years. To achieve this target, we'll purchase recycled water from Manisa Organized Industrial Zone.

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**Target reference number**

Target 3

**Category of target**

Supplier engagement

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

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

**Quantitative metric**

% increase in number of suppliers engaged

**Baseline year**

2021

**Start year**

2022

**Target year**

2025

**% of target achieved**

0

**Please explain**

We'll start Vestel Supplier Monitoring and Development Program in 2022. Therefore we'll show our achievement in the next years.

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W8.1b

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

**Goal**

Engagement with suppliers to help them improve water stewardship

**Level**

Company-wide

**Motivation**

Water stewardship

**Description of goal**

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

**Baseline year**

2021

**Start year**

2022

**End year**

2025

**Progress**

We'll start Vestel Supplier Monitoring and Development Program in 2022. Therefore we'll show our achievement in the next years.

**W9. Verification**

**W9.1**

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

Yes

VEL su ayakizi sertifikası 2021 14046.pdf

**W9.1a**

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

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total water footprint : 751,795.18 m3 Blue water footprint : 528,061.43 m3 Green water footprint : 0 m3 Grey water footprint : 223,733.75 m3	Other, please specify (ISO 14046 Standard)	The water footprint is in line with the requirements of the standard ISO 14046:2014. Level of assurance is Reasonable.

**W10. Sign off**

**W-FI**

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

You can find our overall water stewardship activities from our Integrated Report - page 93.

VEL Annual Integrated Report\_2021.pdf

**W10.1**

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

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

**W10.2**

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

Yes

Submit your response

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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