

A SUSTAINABLE FUTURE WITH ADVANCED TECHNOLOGY

IS POSSIBLE WITH VESTEL



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IT IS POSSIBLE WITH VESTEL WHY NOT?

With our extensive experience in the industry, strong stance, and a team of over 9,000 expert employees, we are one of the first brands that come to mind when it comes to reliable products and services.

At Vestel Beyaz Eşya, we integrate the power of technology into the entire value chain, carry out product transformations focused on people, and provide next generation products equipped with state-of-the-art technology to our customers to attain a sustainable future. Reaching more than 160 countries across the world, we also play an important role in Türkiye's economy thanks to our contributions to our country's exports. In light of technology trends and sustainable developments, we proclaim "A better future is possible with Vestel. Why not?" with our new products, investments, and projects, and we continue our initiatives at full speed.





COMBATING THE CLIMATE CRISIS IS POSSIBLE WITH VESTEL

We design recyclable materials as well as energy and water efficient products for the future.

With sustainable, eco-friendly production methods and the technologies we develop, we reduce the pressure on natural resources. We undertake innovation projects which contribute to many areas including preservation of water resources, carbon reduction, energy efficiency, and waste reduction. Thanks to our environmentally friendly and visionary approach, we develop products which are classified as “environmentally friendly” by international testing organizations and we continue to combat the climate crisis.



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NGC-106

SMD-074

SPLACE

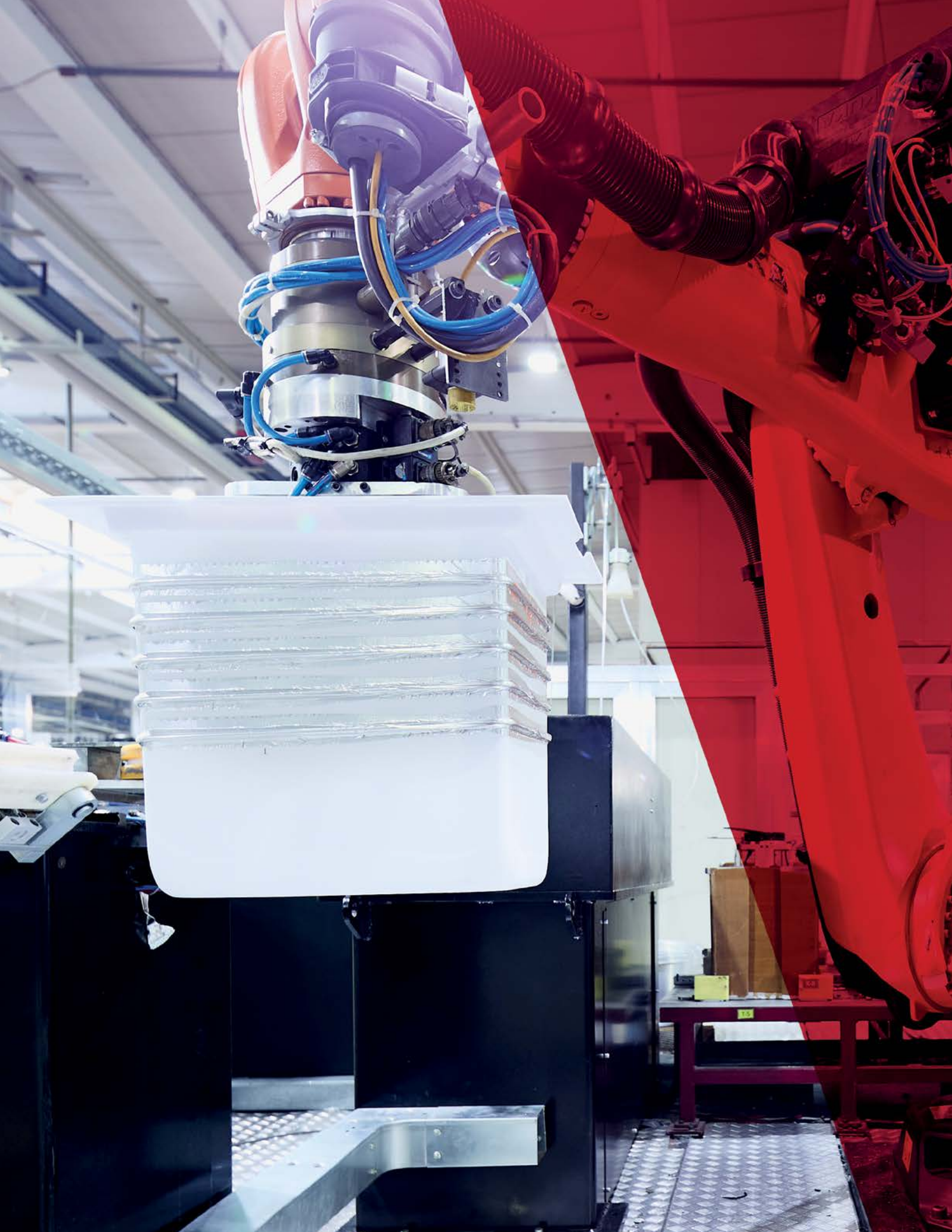
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UNCONDITIONAL TRUST UNDER ALL CONDITIONS IS POSSIBLE WITH VESTEL

Despite the economic and geopolitical uncertainty, we gradually increase our production capacity with each passing year while bolstering our innovation power and the trust in us.

We have largely completed the first phase of our capacity expansion program this year. With our new dishwasher factory coming online during the year, our total production capacity increased by 25% compared to the end of 2020.







CONTINUOUS PROGRESS AND TRANSFORMATION IS POSSIBLE WITH VESTEL

We were honored to win the first-place prize in the “Innovation Cycle” category at İnovalİG, where Türkiye’s innovation champions are selected.

We place innovation and continuous improvement at the center of all stages of our product development process. In the 100th year of our Republic, we are honored and proud to receive an award that befits this special year. We carry the responsibility of this recognition and will continue to develop products that meet our customers' needs, stand out in competition, and ensure sustainable growth and awareness for many centuries to come with our innovative perspective.



DIGITAL TRANSFORMATION IS POSSIBLE WITH VESTEL



While using the state-of-the-art technologies such as artificial intelligence, internet of things, and autonomous systems in our factories, we continue our digital transformation efforts at full speed.

In line with our Smart Life 2030 sustainability strategy, we develop human-oriented ecosystems and innovative business models while undertaking pioneering initiatives.

Combining our sustainability approach with the IoT strategy, we proclaim **“Smarter life for everyone is possible with Vestel.”**

We provide our customers with a much more comprehensive smart life experience with our Evin Akli and VeeZy applications.



App Store

00:41

%98

Evim

Odalar

Oda Ekle



Tüm Cihazlar

Cihaz Ekle



Ana Sayfa



Keşfet



Profil

VESTEL BEYAZ EŞYA IN A NUTSHELL

Vestel Beyaz Eşya, with its long-term strategy and vision, leads the market as one of the largest home appliance manufacturers in Türkiye and Europe.

6

Production plants

9,171

Employees

15.6

MILLION UNITS

Annual production capacity

Vestel Beyaz Eşya (“Vestel Beyaz Eşya” or the “Company”) manufactures refrigerators, deep freezers, washing machines, tumble dryers, cooking appliances, dishwashers, air-conditioners and water heaters by using cutting-edge technologies at its six production plants located in Vestel City, Manisa with a total indoor area of 509,000 m².

Since its establishment in 1997, Vestel Beyaz Eşya has maintained steady growth and, with its long-term strategy and vision, has become one of the largest home appliance manufacturers in Türkiye and Europe, leading the market.

Ranking among the leading original design manufacturers (ODM) in Europe, Vestel Beyaz Eşya closely follows technological trends to develop its products and is one of the top five manufacturers of major domestic appliances in Europe and one of the top three players of its sector in Türkiye. Vestel Beyaz Eşya accounts for almost 40% of Türkiye’s major domestic appliances exports. While focusing primarily on ODM sales in European countries, Vestel Beyaz Eşya also conducts branded sales with global brands licensed and local brands owned by Vestel Group.

Vestel Ticaret AŞ⁽¹⁾, responsible for the sales and marketing operations of Vestel Beyaz Eşya, strengthens Vestel’s strong brand image in the domestic market with its logistics distribution capabilities and extensive dealer network, supported by an advanced technological infrastructure. After-sales services for Vestel Beyaz Eşya’s products are provided by the authorized service centers throughout the country and the central services and call center under Vestel Customer Service Directorate.

VESTEL CITY

Vestel, with Vestel City, is the first electronics and home appliances company in the world and the first brand and industrial facility in Turkey to be featured in the “Mega Factories” documentary series by National Geographic Channel, which showcases world-renowned brands. Vestel continues its efforts to complete its Industry 4.0 transformation and transition to fully-automated smart plants.

The tumble dryer factory, established within a 66,000 m² enclosed area in Vestel City and operational since 2018, was built with Industry 4.0 infrastructure.

With the commissioning of the tumble dryer factory, Vestel Beyaz Eşya completed its product range in six main home appliance categories. In 2021, Vestel Beyaz Eşya initiated a new capacity expansion program. As part of this program, additional investments were made in the refrigerator, washing machine, cooking appliances, and tumble dryer factories to increase existing capacities. Additionally, a new factory investment for dishwashers was commenced to increase capacity in this category. Construction of the new dishwasher factory and installation of production lines were completed in 2023, increasing the Company’s total production capacity by 25% compared to the end of 2020. The relocation and commissioning of production lines transferred from the old dishwasher factory were completed by April 1, 2024. With the completion of the first phase investments under the capacity expansion program, Vestel Beyaz Eşya’s total production capacity increased by 29%.

⁽¹⁾ Vestel Beyaz Eşya’s domestic and international sales and marketing activities are carried out by Vestel Ticaret AŞ (“Vestel Ticaret”), a wholly-owned subsidiary of Vestel Elektronik Sanayi ve Ticaret AŞ.

A total area of 1.3 million sqm

Established over an area of 1.3 million sqm in Manisa, Vestel City is one of largest industrial manufacturing complexes in Europe operating in a single location.



VESTEL CITY

Vestel continues to work with the aim of completing its Industry 4.0 transformation and making a transition to fully-automated smart plants.



SUMMARY FINANCIAL AND OPERATIONAL INDICATORS

In 2023, Vestel Beyaz Eşya demonstrated sustainable growth, strengthening its financial structure with a strong product range and extensive production capacity.

Summary Income Statement (TL million)	2022	2023
Net Sales Revenues	59,583	61,070
Export Ratio	73%	70%
Gross Profit	5,801	9,975
<i>Gross Profit Margin</i>	9.7%	16.3%
Operating Profit*	895	5,940
<i>Operating Profit Margin</i>	1.5%	9.7%
EBITDA	2,879	7,896
<i>EBITDA Margin</i>	4.8%	12.9%
Net Profit	212	4,724
<i>Net Profit Margin</i>	0.4%	7.7%

*Excludes other income and expenses from operating activities

Summary Balance Sheet (TL million)	2022	2023
Cash and Cash Equivalents	954	730
Trade Receivables	14,223	13,892
Inventories	7,604	7,235
Current Assets	28,347	26,495
Fixed Assets	15,191	21,581
Total Assets	45,790	50,914
Current Liabilities	30,365	25,212
Non-Current Liabilities	1,871	4,113
Equity	13,554	21,590
Net Financial Debt*	9,225	4,175

*Including other financial liabilities and excluding blocked deposits

Summary Cash Flow Statement (TL Million)	2022	2023
Net Cash Flows from Operating Activities	2,950	3,907
Net Cash Flows from Investment Activities	-5,161	-1,893
Net Cash Flows from Financing Activities	2,210	-1,901

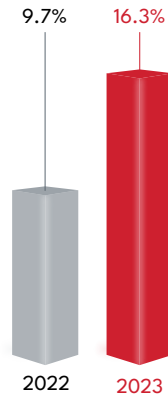
Net Sales (TL million)

In 2023, inflation-adjusted sales revenues amounted to TL 61 billion.

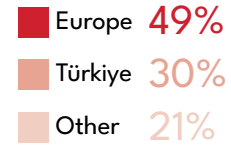


Gross Profit Margin (%)

Gross profit margin increased from 9.7% to 16.3% driven by lower raw material costs, the positive impact of FX rates, and strong growth in domestic sales.

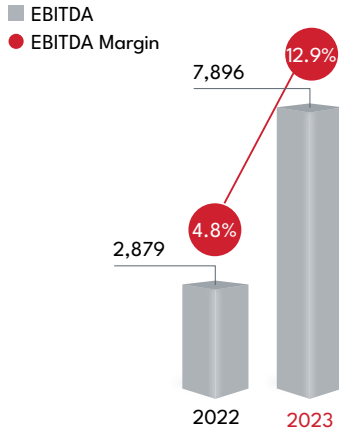


Geographical Distribution of Sales (%)



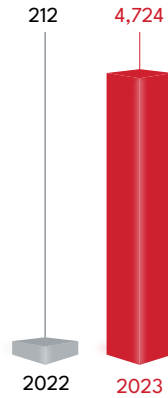
EBITDA* and EBITDA Margin (TL million), (%)

EBITDA increased by 74% in real terms to TL 7.9 billion, while EBITDA margin rose to 12.9%.



Net Profit (TL million)

Net profit materialized as TL 4.7 billion, with a net profit margin of 7.7%.



* Excludes other income and expenses from operating activities

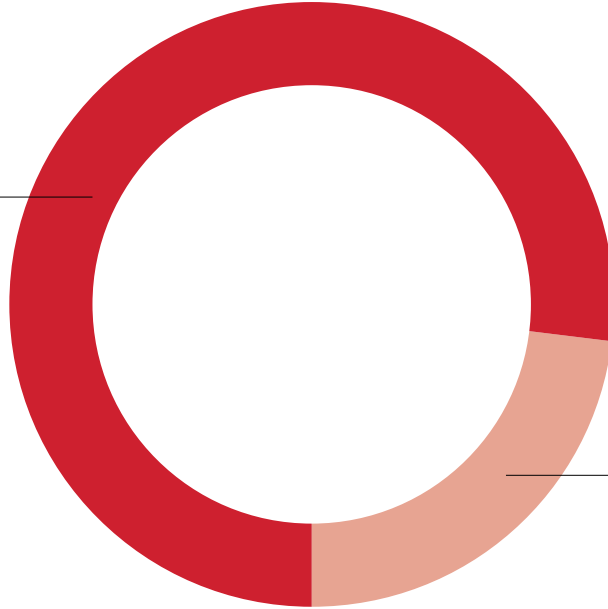
SHAREHOLDING STRUCTURE OF VESTEL BEYAZ EŞYA

Shareholders	Nominal Value of Shares (TL)	Share in Capital (%)
Vestel Elektronik Sanayi ve Ticaret AŞ*	1,237,302,236	77.33
Other Shareholders (Publicly Held)	362,697,764	22.67
Total	1,600,000,000	100.0

* "Vestel Elektronik" or "Vestel" or "Vestel Group of Companies"

Vestel Elektronik Sanayi ve Ticaret AŞ's share in Vestel Beyaz Eşya declined from 80.66% to 77.33% as a result of block share sales to institutional investors through special orders on Borsa İstanbul in 2023.

77.33%
Vestel Elektronik
Sanayi ve Ticaret AŞ



22.67%
Other Shareholders
(Publicly Held)

COMPETITIVE ADVANTAGES OF VESTEL BEYAZ EŞYA

Innovation

- Creating new value for customers with its strong R&D structure, manufacturing capabilities and highly-competent human resources, responding to customer needs swiftly with its technological solutions and rendering innovation fast and accessible to everyone.

Scalable Manufacturing Model, Flexibility in Manufacturing and Product Customization

- Responding to the needs of different customers with various socio-cultural backgrounds in foreign markets on time, with the right product, the right price and the right sales channels,
- Ability to develop products in many different models for different customers thanks to its flexible production capability.

Customer Commitment and Experience

- Providing a seamless ODM service from original design and production to point distribution,
- Refraining from competing directly with customers' brands in Europe,
- Fast production and delivery as well as the ability to respond to small batch orders,
- Vestel's extensive sales and after-sales service network across Türkiye,
- Vestel's after-sales customer experience that makes a difference.

Cost Advantages

- Benefiting from economies of scale in procurements, particularly in purchases of raw materials/ components, which constitute the most important cost item, by leveraging its strong manufacturer identity,
- Efficiency, effectiveness and cost advantages offered by manufacturing in a single complex at Vestel City, one of the largest manufacturing complexes in Europe built over a single site,
- Advantages in transportation cost and delivery times against Far Eastern competitors thanks to the proximity of its manufacturing plants to the European market,
- The existence of a well-developed supplier base in Manisa and proximity to suppliers and distribution and logistical cost advantages facilitated by the production facilities being located close to the İzmir ports,
- Having a significant share in the volume of import and export containers at İzmir ports,
- Reduction in logistics costs by optimizing the application of different and mixed logistics models,
- Lower unit labor cost compared to European manufacturers,
- Newer and more modern production facilities compared to manufacturers in Europe,
- Customs duty advantage against the manufacturers of countries that do not have Free Trade Agreements in place in exports to countries with which Türkiye has signed a Free Trade Agreement.

A Pioneer in Digital Transformation

- Adopting technology and innovation as a corporate culture building upon its innovative spirit since its establishment,
- Extensive technological capabilities and vision,
- Industry 4.0 transformation,
- Digitalized business processes,
- Customer experience strengthened by digitalization,
- Leading Türkiye's digital transformation as well as its technological transformation,
- Being at the center of digital transformation via its solutions, innovative practices and products as a company exporting technology from Türkiye to the world.

FROM VESTEL TO THE ENTIRE WORLD...

Reaching a wide customer base through its domestic “omni-channel marketing strategy,” Vestel has one of the most extensive sales and after-sales service networks in Türkiye.



 Vestel City Manisa

 Export Markets

 Foreign Trade Offices

- | | |
|----------------|--------------------------|
| United Kingdom | Kazakhstan |
| France | Romania |
| Germany | Poland |
| Spain | United Arab Emirates |
| Netherlands | United States of America |
| Russia | |

>160

Export Countries

11

Foreign Trade
Offices

1,363

Domestic Vestel
Stores

~2,500

Overseas Stores
and Sales Outlets



Vestel in Türkiye

With its omni-channel marketing strategy, Vestel reaches a wide consumer base through various channels including dealers, household goods stores, hypermarkets, discount stores, electronic retail chains, and e-commerce websites, enhancing its effectiveness and market share.



Vestel's Domestic Sales Organization

- 1,363 Vestel Stores (including 186 Vestel Ekspres and 34 Vestel Corporate Stores)
- 10 VsOutlet Stores
- 1,235 Regal Stores (382 Regal Showroom, 375 Regal Mixed Stores, 478 Regal Dowry Stores)
- vestel.com.tr
- vsoutlet.com.tr
- regal-tr.com



Vestel After-Sales Services

- Call Center
- 366 Authorized Service Providers
- 6 Central Services
- 1 Small Domestic Appliances Base
- 3 Recovery and Central Repair Centers



Vestel's Global Operation Network

Vestel's overseas sales and marketing organization comprises the local organizations of foreign trade offices in a total of 11 countries as well as direct sales outlets in neighboring regions.

MESSAGE FROM THE CHAIRPERSON

Vestel continued on its successful journey on the back of its flexible and agile organization, and digital transformation and technology-oriented business model, and ranked in the top three in 2023 in the “Türkiye’s Most Valuable Brands” survey.

Vestel Beyaz Eşya announced its commitment under the Science Based Targets Initiative (SBTi) and took a major step toward achieving net zero emissions.

Esteemed Stakeholders,

This past year was a proud and meaningful one as 2023 was the 100th anniversary of the Republic. We are working tirelessly to protect and sustain our Republic with our shared values as a nation. With our world-class production approach, innovative and quality products, and broad vision, we proudly represent our country in technology exports to the world as a strong company that pioneers the market not just in Türkiye, but also in the global markets.

On the other hand, the major earthquake disasters that occurred in Kahramanmaraş on February 6, 2023, and subsequently, have plunged us all into mourning. We have been trying to assist the efforts to heal the wounds in the earthquake region since the first day of the disaster. In addition to the deep social and economic effects, the earthquake disaster also served as another reminder of the value of our unity, solidarity, and national cooperation spirit. Our country started the year with a devastating disaster, then entered an election period, and had to grapple with difficulties and uncertainties throughout the year.

Regional geopolitical tensions such as the Israel-Palestine conflict and the Russia-Ukraine war weighed on the global economy and increased fragility. Disruptions in the supply chain clearly demonstrated the need for reorganization and investment for the elimination of various risks. Efforts were made to combat the effects of high inflation experienced in 2022, and measures were taken to manage and mitigate these impacts. Despite these challenges, the global economy grew by 3% while Türkiye’s economy outpaced expectations and grew by 4.5%. The growth was fueled by domestic consumption despite the monetary tightening measures taken. Contrary to the downturn in overseas markets, the Turkish white goods market showed strong growth in 2023 despite tightening monetary policy, elections, earthquake disasters, and an inflationary environment.

In a year of uncertainties in 2023, Vestel continued on its successful journey on the back of its flexible and agile organization, and digital transformation and technology-oriented business model, and ranked in the top three in 2023 in the “Türkiye’s Most Valuable Brands” survey.



AHMET NAZİF ZORLU
Chairperson of the Board

Record temperatures were also among the important events in 2023. Influenced by the El Nino episode, 2023 went in the records as the hottest year in the history of humanity and the same effect is expected to linger in 2024. Paralleling the climate crisis, extreme weather events increased both in number and in severity. In the Global Risks Report published at the beginning of each year by the World Economic Forum, “extreme weather events” were identified as the top risk for the next 10 years, which reminds us that we need to implement our goals and commitments faster and more resolutely. Vestel Beyaz Eşya announced its commitment under the Science Based Targets Initiative (SBTi) and took a major step toward achieving net zero emissions. Once its targets are verified by the SBTi, Vestel Beyaz Eşya will begin implementing its decarbonization roadmap and rolling out its investments. Vestel Beyaz Eşya will also continue with its existing emission reduction initiatives at full speed in the coming period. In addition to emission reduction initiatives, the Company developed and accelerated efforts to identify the effects of climate risks, and determined climate risks and opportunities

this year based on the recommendations from the TCFD. Further, within the scope of a centralized risk management framework, Vestel Beyaz Eşya adopted the Zorlu Holding Corporate Risk Management Policy and the Corporate Risk Management Directive which were prepared by Zorlu Holding and published at the end of 2023.

While working for a sustainable world, we fulfill our share of the responsibility to leave a more inhabitable world to the future generations with environmental impact reduction technologies. Under its all-encompassing sustainability approach from products and services to factories, Vestel Beyaz Eşya strives to reduce its environmental impact and create social benefit. As a member of Zorlu Holding, it is actively engaged in carrying out the Holding’s sustainability vision which is memorialized as Smart Life 2030.

Within this scope, it supports the United Nations Global Compact (UNGC) and the Women’s Empowerment Principles (WEPs) and is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, Vestel Beyaz Eşya has committed to reducing its plastic usage and promoting recycling and reuse of plastics through its participation in the Business Plastic Initiative (İş Dünyası Plastik Girişimi or İPG). As a result of its work and efforts, Vestel Beyaz Eşya is included in a number of sustainability indices with its successful sustainability performance.

I would like to thank our colleagues, customers, shareholders, business partners, and social stakeholders once again for contributing to this success, sharing our dreams, and standing with us.

Sincerely,

AHMET NAZİF ZORLU
Chairperson of the Board

BOARD OF DIRECTORS



AHMET NAZİF ZORLU Chairperson

Ahmet Zorlu began his career in the family-owned textile business at an early age. Opening his first textile store in Trabzon, Ahmet Zorlu moved the company's headquarters to Istanbul in 1970 and laid the foundations of Zorlu Holding. Ahmet Zorlu set up his first production company, Korteks, in 1976 and united all of his companies under the roof of Zorlu Holding in 1990. Acquiring Vestel in 1994, Zorlu opened the door to new lines of business for Zorlu Holding. Ahmet Zorlu's entrepreneurialism, which began with the textile industry, went on to manifest itself in more companies operating in a wide range of industries such as major domestic appliances, consumer electronics, property development, energy, metallurgy, defense and e-mobility. Ahmet Zorlu is the Chairman or Vice Chairman of the Board in numerous Zorlu Group companies operating in different industries.

With a keen interest in non-governmental organizations, Ahmet Zorlu sits on the Board of Directors of Foreign Economic Relations Board (DEİK) and is a member of Turkish Industry and Business Association (TUSIAD), Education and Culture Foundation of People of Denizli (DENSİR), Babadağ Industry and Business Association (BASİAD) and Turkish Home Textile Industrialists' Association (TETSIAD).



ELMAS MELİH ARAZ Vice Chairperson

A graduate of Robert College, Melih Araz received his bachelor's degree from Ankara University, Faculty of Political Sciences, in 1972. He completed his MBA at Kelley School of Business, Indiana University in 1975, where he was a USAID/TEV scholar. He also attended an "Executive Management Program" at Harvard Business School in 1988. Starting his career in finance and banking at Citibank N.A.'s office in Türkiye in 1977, Mr. Araz served in executive positions at the bank's Istanbul, Bahrain, Athens and New York offices and assumed key responsibilities in the establishment and expansion of Citibank's operations in Türkiye. Melih Araz later served as the CEO/General Manager at Interbank AŞ, a Çukurova Holding affiliate, for eight years where he played a leading role in elevating Interbank to a respected and pioneering position in corporate and investment banking in Türkiye. After leaving Interbank, Mr. Araz worked as a consultant in various major projects and served as a Board Member at a number of companies including Zorlu Enerji Elektrik Üretim AŞ (2008-2013 and 2018-2020) and Enka İnşaat ve Sanayi AŞ (2012-2018). Mr. Araz still assumes important duties at Ata Group. In addition to Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Melih Araz is also a Board Member at Vestel Elektronik Sanayi ve Ticaret AŞ. Mr. Araz also sits on the Boards of Ata Yatırım Menkul Kıymetler AŞ, Ata Gayrimenkul Yatırım Ortaklığı AŞ, TFI Gıda Yatırımları AŞ, Burger King China JV Ltd., İzmir Enternasyonal Otelcilik AŞ and Entegre Harç Sanayi ve Ticaret AŞ.



OLGUN ZORLU Board Member

Olgun Zorlu began his professional career in 1988 after completing his higher education in textiles and business administration in the UK. He started to serve in managerial positions at various Zorlu Group companies in 1988 and led their foreign market research and business development operations. In 1998, Olgun Zorlu began serving as a Member of the Board of Directors of Zorlu Holding. Mr. Zorlu is the Chairman of Meta Nikel and serves as a Board Member at various Zorlu Holding subsidiaries such as Vestel Beyaz Eşya, Vestel Elektronik and Zorlu Enerji. Olgun Zorlu assumed the Vice Chairman position at the Board of Zorlu Holding in 2022. Mr. Zorlu is a member of the Turkish Industry and Business Association (TUSIAD) and the Turkish Home Textile Industrialists' Association (TETSIAD).



BEKİR CEM KÖKSAL
Board Member

Cem Köksal graduated from the Mechanical Engineering Department of Boğaziçi University in 1990 and obtained a master's degree at Bilkent University in 1990. After serving in the banking industry between 1990 and 2001, Cem Köksal was named Deputy General Manager of DenizBank in 1997. Mr. Köksal joined Vestel as the Chief Financial Officer in 2002. Cem Köksal currently serves as an Executive Committee Member at Vestel Group of Companies and is the Chief Financial Officer and the Chairman of the Sustainability Committee at Zorlu Holding and a Board Member at Zorlu Enerji. Mr. Köksal is also a member of the Board of Directors of UN Global Compact Türkiye and a substitute member of the Board of Directors of the Association for Business and Sustainable Development (SKD). As of March 1, 2024, Cem Köksal has assumed the role of Acting CEO of Zorlu Holding.



ÖMER YÜNGÜL
Board Member

Ömer Yüngül graduated from the Department of Mechanical Engineering at Boğaziçi University in 1978. Commencing his career at the construction company Tekfen İnşaat, Mr. Yüngül held various managerial posts in Metaş, Faz Elektrik, and Merloni Elettrodomestici. Joining Zorlu Holding as the General Manager of Vestel Beyaz Eşya, a white goods manufacturer, in 1997, Ömer Yüngül became Chairman of the Vestel Executive Committee in 2000. Following a successful 15 years in Vestel's management, Ömer Yüngül became the first CEO of Zorlu Holding in 2013. Mr. Yüngül has also been serving as a Board Member of Zorlu Holding since 2022.



BEKİR AĞIRDİR
Board Member

After graduating from the Department of Business Administration at Middle East Technical University in 1979, Bekir Ağırdir served respectively, as Sales Manager and then Assistant General Manager at Bilsan Bilgisayar Malzemeleri AŞ (1980-1984), Sales Coordinator at Meteksam Ltd. (1984-1986), General Manager at Pirintaş Bilgisayar Malzemeleri ve Basım Sanayi AŞ (1986-1996), Deputy General Manager at Atılım Kâğıt ve Defter Sanayi AŞ (1996-1999) and as General Manager and Board Member at PMB Akıllı Kart ve Bilgi Teknolojileri AŞ (1999-2003). Between 2003-2005, he worked as a Coordinator and then as General Manager at Tarih Vakfı (History Foundation of Türkiye). Ağırdir, who has been serving as the General Manager and Board Member at KONDA Araştırma ve Danışmanlık Limited Şirketi since 2005, has resigned from his position as General Manager as of June 2022. In addition Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Ağırdir also serves as a Board Member of Vestel Elektronik Sanayi ve Ticaret AŞ and Zorlu Enerji Elektrik Üretim AŞ, two of Zorlu Group companies, as well as Anadolu Efes Biraçılık ve Malt Sanayii AŞ and Migros Ticaret AŞ. Mr. Ağırdir is the Board Member of Türkiye Economic and Social Studies Foundation (TESEV) and Hrant Dink Foundation, and founding member of Yanındayız Association, Democratic Republic Program and EYMİR Cultural Foundation, and member of METU Alumni Association and commentator of T24 Internet Newspaper and GAIN Internet Media.



AYŞEGÜL İLDENİZ
Board Member

Ayşegül İldeniz holds a bachelor's degree in Business Administration from Boğaziçi University and a master's degree in Digital Communications from the San Francisco State University. Ms. İldeniz joined Intel Corporation, the leading global microprocessor company, in 1998 where she served respectively, as General Manager for Intel Türkiye, as Director for Middle East, Türkiye and Africa region, covering 67 countries and as a European Board Member before being appointed to the position of Global Vice President in the New Devices Group at Intel Headquarters in Silicon Valley in 2013. In 2016, Ms. İldeniz became the COO (Chief Operating Officer) of the Silver Spring Networks, a company listed on the New York Stock Exchange, which controls half of the US smart energy market with 26 million users and implemented Smart Cities programs in a number of cities including Chicago, Singapore, Paris, Copenhagen and Dubai. Ayşegül İldeniz is a pioneer in the fields of innovation, technology and future vision, both in the Silicon Valley and in Istanbul. In 2015, she was named as one of the "100 Most Creative People in Business" by the Fast Company, one of the most prestigious publications in the United States, and as the "Third Most Influential Turkish-American Woman" by the Turks of America (TOA), while in Türkiye she was selected as the "IT Woman of the Year" in 2004 and "Woman Executive of the Year" in 2006 by the Dünya Newspaper. Ayşegül İldeniz is currently the President of the TUSIAD Silicon Valley Network and a Board Member of the American Turkish Society and the New York-based Turkish Philanthropy Funds. Ayşegül İldeniz also serves as a Board Member at Vestel Elektronik Eşya Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ, Doğan Şirketler Grubu Holding AŞ and Pegasus Hava Taşımacılığı AŞ.

MESSAGE FROM THE CEO

At Vestel Beyaz Eşya, we performed in line with the overall market in the European market in 2023.

According to White Goods Manufacturers' Association of Türkiye, wholesale white goods sales, covering six main major domestic appliances grew by 14% in 2023. The growth in retail sales was 18% according to GfK.

Esteemed Stakeholders,

In the past five years, global crises and fluctuations have posed numerous challenges to the global economy. Factors such as the war in Ukraine, sanctions on Russia, political instability in the Middle East, and fluctuations in energy prices have adversely affected supply chains. The incident of a shipwreck in the Suez Canal caused approximately USD 100 billion in losses and delayed supply chains for weeks, disrupting global trade significantly. Supply chain disruptions, raw material shortages, and increases in energy prices were among the key challenges faced by the industry. However, alongside these challenges, there has been an acceleration of change and transformation in the industry. The potential of the industry grew, particularly with the emergence of sustainability and innovation-oriented new business segments and technologies.

The European white goods market contracted by 7% in 2023, following an 8% contraction in 2022, due to the negative effects of high inflation, increased cost of living and geopolitical uncertainties on consumer confidence. Unlike the overseas markets, the white goods market in Türkiye recorded strong growth in 2023 despite the earthquake disaster in February, elections, monetary tightening, and high inflation environment.

This growth was driven in part by consumers bringing their demand forward. Domestic wholesale white goods sales, covering six main major domestic appliances as published by the White Goods Manufacturers' Association of Türkiye (TÜRKBEŞD), grew by 14% in 2023. According to GfK, retail white goods sales increased by 18% during the same period. Vestel Beyaz Eşya's white goods sales in 2023 followed a similar trend to market developments. In this environment where confidence in the economy and the balance between production and consumption were being reestablished, Vestel Beyaz Eşya performed in line with the overall market in the European market in 2023 and continued its expansion into markets outside of Europe.

According to inflation-adjusted financial statements based on TAS 29 Financial Reporting in Hyperinflationary Economies, which took effect at end-2023, our total revenues reached TL 61 billion with a 2% growth in real terms. EBITDA surged by 174% in real terms to TL 7.9 billion thanks to the significant improvement in operating margins while net profit amounted to TL 4.7 billion.

As part of the capacity expansion program, which was initiated in 2021, the construction of the new dishwasher plant and installation of the new production lines were completed in 2023. With the commissioning of the relocated production lines from the old dishwasher factory in the first quarter of 2024, the first phase investments under the capacity expansion program were completed. As a result, Vestel Beyaz Eşya's total production capacity increased by 29% compared to the end of 2020.



ERGÜN GÜLER
CEO

At Vestel, we aim to increase our market capitalization and revenues, enhance the efficiency of our departments, and expand all of our operations and processes over the next three years as part of our plans for the upcoming period.

We aim to grow Vestel in the next three years.

At Vestel, we aim to grow our market capitalization and turnover, enhance the efficiency of our departments, and expand all of our businesses and processes over the next three years as part of our plans for the upcoming period. To achieve this goal, we have taken necessary steps aligned with our roadmaps determined through country, product, and market share research, focusing on new products, geographies, and partnerships. As part of our strategy of expanding into new regions which comprised an important part of our performance in 2023, we are expanding our operations particularly in Africa, Latin America, North America, and Asia.

We prioritized aligning our operations and processes across every department of Vestel.

In 2023, one of our critical areas of focus was the improvement of our business processes. We took numerous innovative steps across Vestel departments to enhance our operations and processes. Specifically, we initiated "harmonization efforts" to ensure seamless collaboration among departments, thereby preventing silos and fostering strategic alignment among our more than 9,000 employees. As part of our harmonization efforts, each business unit was encouraged to not only focus on its own tasks but also consider and support other operations across Vestel, aiming to create a holistic Vestel approach. In this regard, our efforts in supply chain and human resources have been consolidated and are now managed centrally from our headquarters.

MESSAGE FROM THE CEO

Vestel Beyaz Eşya is working to adopt and apply modern and agile methods across all its operations.

As Vestel Beyaz Eşya, we have been reducing our environmental impact and working on developing products that improve people's lives through our 27 years of ongoing R&D and innovation efforts.

We continue to expand our R&D and innovation capability in a human-focused manner.

We continuously enhance our R&D and innovation capacity with a focus on human-centered approaches. By integrating cutting-edge technologies such as artificial intelligence (AI), Internet of Things (IoT), and autonomous systems into our production facilities, we take a leading role in fields like Industry 4.0. Leveraging Industry 4.0 tools, we integrate smart robotic systems and autonomous systems into our factories, and optimize our manufacturing processes. We improve product development and manufacturing processes using such technologies as artificial intelligence supported image processing, 3D printing, virtual reality, and augmented reality, which generates cost savings and increases quality.

Through the R&D and innovation projects which we have been carrying out for 27 years, we reduce our environmental impact and strive to develop products which enhance people's lives. In addition to products featuring high energy and water efficiency, we focus on enhancing the lives of users through innovations such as the AutoDose technology, which detects the level of dish dirtiness to automatically adjust detergent amounts, and the Hydroboost technology, which effectively sprays water and detergent onto laundry. Additionally, our products are designed with a strong focus on environmental sustainability, from packaging technologies that reduce plastic usage to special air distribution systems that preserve food freshness. With these innovations, we aim to create value for both our customers and the environment.

Our employees are the focal point of our innovative projects.

In line with our vision of being a technology company that creates social and environmental benefits, we embrace work models which enhance our employees' skills and increase their adaptation to innovation and change. In order to address the talent shortage, which is one of the most significant challenges companies face in the 21st century, Vestel Beyaz Eşya is implementing efforts to adopt and apply modern and agile methods across all its operations. This includes a focus on human-centered practices, systemic perspectives, and strategic management approaches.

As part of our effective human resource management, we implement internal rotations among Vestel Group of Companies' employees as a means to diversify their knowledge, skills and experiences, and to support their career planning by enabling them to gain diverse job or company experiences. Based on our focus on employee development approach, we aim to increase training per employee to more than 20 hours per year. In line with this vision, we believe talent development is crucial for achieving equality and diversity. Therefore, we continue our efforts to increase our female workforce representation to 40%.

At Vestel Beyaz Eşya, in line with the global agenda, we aim to reach net zero emissions by 2050, first in our own operations and then across our entire value chain.

In the S&P Global sustainability survey to which we responded for the first time in 2023, we received the second highest score in our industry, reaffirming our commitment to sustainability once again.

We carry out quality and sustainability-oriented initiatives focused on innovation.

We received a number of awards in 2023 thanks to our innovation and quality-oriented initiatives. Among our achievements in innovation, we received the first place in the 'Innovation Cycle' category of InovaLIG and a Special Mention Award for our microfiber-filtered washing machine at the German Innovation Award. Additionally, in the S&P Global sustainability survey to which we responded for the first time in 2023, we received the second highest score in our industry, reaffirming our commitment to sustainability once again.

We are making rapid progress towards our goal of becoming a net zero company.

The private sector has a critical role in attaining the net zero goals declared by countries. At Vestel Beyaz Eşya, in keeping with the global agenda, we aim to reach net zero emissions by 2050, first in our own operations and then across our entire value chain. As an important step to attain our goals, we submitted our Science Based Targets initiative (SBTi) application this year. In light of our SBTi target, we are working on our decarbonization strategy in an attempt to reach net zero greenhouse gas emissions as quickly as possible by 2050. In order to enhance our performance in these areas, we are focusing on waste heat recovery systems, electrification, fleet transformation, and life-cycle-based design practices.

In the period ahead, we will accelerate our investments in adopting low carbon technologies, expanding renewable energy investments, and manufacturing products with lower environmental impacts. In 2023, we updated our TCFD (Task Force on Climate-related Financial Disclosures) disclosure to comprehensively address climate risks. In the coming period, we will continue to assess climate risks and opportunities and their financial impacts in greater depth in accordance with the Turkish Sustainability Reporting Standards (TSRS).

I would like to sincerely thank all stakeholders who have contributed to these significant steps, especially my valued colleagues. Our efforts to strengthen our R&D and innovation capacity, reduce our environmental impact, and contribute to a carbon-neutral future are not just important for our company but also for the world at large. The vision and determination we have demonstrated in this process will propel us forward in leaving a more sustainable world for future generations. I am fully confident that we will continue these valuable efforts with the same determination and perseverance in the future.

ERGÜN GÜLER
CEO

SENIOR MANAGEMENT



ERGÜN GÜLER
Chairman of the Executive Committee

Ergün Güler, who holds an undergraduate degree in Business Administration from Dokuz Eylül University and an MBA degree from Bilkent University, started his career at Vestel in 1999 as Finance Specialist and served as the Deputy General Manager in charge of Financial Affairs and Treasury between 2006 and 2012. Mr. Güler, who was appointed as the Corporate Risk & Treasury Coordinator at Zorlu Holding in May 2012, served as the General Manager responsible for Domestic Sales and Marketing at Vestel Ticaret AŞ from October 2012 to September 2023. Since September 1, 2023, Mr. Güler has been serving as the CEO of Vestel Group of Companies. Ergün Güler participated in Stanford University's Stanford Lead program.



BEKİR CEM KÖKSAL
Executive Committee Member

Cem Köksal graduated from the Mechanical Engineering Department of Boğaziçi University in 1988 and obtained a master's degree at Bilkent University in 1990. Having served in the banking industry between 1990 and 2001, Mr. Köksal was appointed as Deputy General Manager at DenizBank in 1997. Cem Köksal joined Vestel as Chief Financial Officer in 2002. Cem Köksal, who continues to serve as a Member of the Executive Committee at Vestel Group of Companies, is also the CFO of Zorlu Holding, the Chairman of the Sustainability Committee at Zorlu Holding, and a Board Member at Zorlu Enerji. Mr. Köksal is also a Board Member of UN Global Compact Turkey and an Alternate Board Member of the Business Council for Sustainable Development Turkey (BCSD Türkiye). As of March 1, 2024, Cem Köksal has assumed the position of Acting CEO of Zorlu Holding.



NECMİ KAVUŞTURAN
Executive Committee Member

Necmi Kavuşturan graduated from the Faculty of Political Sciences at Ankara University in 1979. Mr. Kavuşturan began his professional career as a specialist at Türkiye İş Bankası in 1979 and became Deputy General Manager at İnterbank in 1985. Necmi Kavuşturan, who led initiatives such as Management Trainee programs, open performance systems, and total quality management at İnterbank, served as the Deputy General Manager of Management Services at DenizBank from 1997 to 2003. He has managed the Advertising, Public Relations, Construction, and Procurement Departments of DenizBank during this period. Mr. Kavuşturan became the Head of Human Resources Group at Zorlu Holding in 2003. He has been serving as the Executive Committee Member at Vestel Group of Companies since 2005.



ALP DAYI
Chief Financial Officer

Alp Dayı graduated from the Department of Industrial Engineering at Dokuz Eylül University in 1985 and received a degree in Finance from the University of California, UC Berkeley in 2006. He has worked as a senior executive responsible for financial affairs at various industrial companies since 1987. Mr. Dayı joined Vestel Group in 1999 and since 2012 he has served as the General Manager of Finance (CFO) of Vestel Group of Companies, responsible for both domestic and international subsidiaries, until his recent appointment as the Financial Affairs Group President (CFO) of Zorlu Holding, effective March 1, 2024.



HASAN UĞUR
General Manager of Vestel Beyaz Eşya Sanayi ve Ticaret AŞ

Hasan Uğur graduated from the Department of Mechanical Engineering at Middle East Technical University in 2004. He began his professional career at Vestel Beyaz Eşya as Design Engineer in the R&D Department of the Dishwasher Production Plant in 2005 and later served as the Mechanical Hydraulic System Design Supervisor and Senior Design Architect, respectively. Mr. Uğur served as an R&D Manager at the Refrigerator Plants from 2013 to 2019. He was the Deputy General Manager Responsible for the Refrigerator Plants from February 2019 to September 2023. Since September 1, 2023, Mr. Uğur has been serving as the General Manager of Vestel Beyaz Eşya Sanayi ve Ticaret AŞ.



HASAN EMRAH ŞAFAK
Deputy General Manager Responsible for the Refrigerator Plants

Hasan Emrah Şafak graduated from the Department of Mechanical Engineering at Ege University in 2004. He began his professional career at Vestel Beyaz Eşya as Design Engineer in R&D Department at the Refrigerator Plant in 2005 and later served as R&D Acoustic Laboratory Supervisor, Senior Design Architect, Quality Assurance Manager and R&D Manager, respectively. Mr. Şafak has been serving as the Deputy General Manager Responsible for the Tumble Dryer Plant since 2022 and was named the Deputy General Manager Responsible for the Refrigerator Plants as of October 1, 2023.

SENIOR MANAGEMENT



SERKAN BALCI
Deputy General Manager
Responsible for the Washing
Machine Plants

Serkan Balci graduated from the Department of Mechanical Engineering at Dokuz Eylül University in 2004. He began his professional career at Vestel Beyaz Eşya as Laboratory Engineer in the R&D Department at the Washing Machine Production Plant in 2006 and later served as the R&D Laboratory Supervisor, Senior Design Architect and R&D Manager, respectively. Mr. Balci, who was appointed as the Deputy General Manager Responsible for the Washing Machine and Tumble Dryer Plants as of January 1, 2020, continues to serve as the Deputy General Manager Responsible for the Washing Machine Plants from September 1, 2020 due to an organizational change.



ÖZGÜN DÖŞEMECİLER
Deputy General Manager
Responsible for the Dishwasher
Plant

Özgün Döşemeciler graduated from the Department of Mechanical Engineering at Ege University in 2005. He began his professional career at Vestel Beyaz Eşya as Design Engineer in the R&D Department at the Washing Machine Production Plant in 2006 and later served as the R&D Osculating Group Mechanical Design Supervisor, Senior Design Architect and R&D Manager at the Tumble Dryer Plant, respectively. Mr. Döşemeciler has been working as the Deputy General Manager Responsible for Tumble Dryer Plant since 2020 and was appointed as the Deputy General Manager Responsible for Dishwasher Plant as of November 1, 2022.



MEHMET YAVUZ
Deputy General Manager
Responsible for the Cooking
Appliances Plant

Mehmet Yavuz graduated from the Department of Industrial Engineering at Istanbul Technical University in 2002. He worked as Quality Assurance Officer at Aykim Metal Sanayi ve Ticaret AŞ during 2002-2004. Mr. Yavuz joined Vestel Beyaz Eşya in 2004 and assumed various responsibilities in the Company's Washing Machine, Dishwasher and Refrigerator plants. Mr. Yavuz, who has been serving as the Acting Deputy General Manager for the Cooking Appliances Plant from October 2017, has been appointed as the Deputy General Manager as of February 2018.



FUNDA KURU
Deputy General
Manager Responsible
for the Tumble Dryer
Plant

Funda Kuru graduated from Dokuz Eylül University with a degree in Mechanical Engineering in 2007. She subsequently completed her Master's and Ph.D. degrees in the Energy Department of the Faculty of Science at Dokuz Eylül University. She began her professional career at Vestel Beyaz Eşya as Mechanical Design Specialist Engineer in the R&D Department of the Washing Machine Plant in 2011 and later served as the Supervisor of Dryer System Design Group between 2017 and 2020 and as R&D Manager between 2020 and 2023 at the newly established Tumble Dryer Plant. Ms. Kuru was named the Deputy General Manager responsible for the Tumble Dryer Plant as of October 1, 2023.



CANER YILDIZ
Deputy General
Manager Responsible
for Air Conditioner and
Water Heater Plant

Caner Yıldız graduated from Dokuz Eylül University with a degree in Mechanical Engineering in 2003. He then completed his Master's degree in the Mechanical Engineering Department at Dokuz Eylül University. Mr. Yıldız began his career in 2005 as a Design Engineer in the Refrigerator R&D Department at Vestel Beyaz Eşya. He subsequently held roles as R&D Mechanical Design Manager and Senior Design Architect. Mr. Yıldız who has been serving as Industrial Design Manager since 2017 was appointed as Deputy General Manager responsible for the Air Conditioner and Water Heater Plant as of December 1, 2023.



EVREN BAL
Deputy General
Manager of Purchasing

Evren Bal graduated from the Department of Mechanical Engineering at Ege University. He began his professional career at Vestel Beyaz Eşya as a Design Engineer in the R&D Department at the Dishwasher Production Plant in 2006 and subsequently served as the R&D Design Group Supervisor, Senior Design Architect, R&D Manager and Global Purchasing Manager, respectively. Since October 1, 2023, Mr. Bal has been serving as the Deputy General Manager of Purchasing.



TURGAY BÜYÜK
Deputy General
Manager of R&D

Turgay Büyük graduated from the Department of Electric and Electronic Engineering at Middle East Technical University in 2004. He started working at Vestel Beyaz Eşya as a Laboratory Engineer in the Dishwasher R&D Department in 2005. He subsequently held positions as R&D Laboratory Group Leader and Senior Design Architect. Mr. Büyük, who has been serving as Technology Development Manager at Vestel Beyaz Eşya since 2016, has been appointed as Deputy General Manager responsible for Central R&D as of September 1, 2020.

HIGHLIGHTS OF 2023

In the 2023 results of the “Türkiye’s Most Valuable Brands” survey, Vestel ranked in the top 3 with a value of USD 927 million.



Vestel is among the Top 3 of Türkiye’s Most Valuable Brands

International brand valuation organization Brand Finance has announced the results of the “Türkiye’s Most Valuable Brands” survey for 2023. Vestel ranked in the top 3 with a value of USD 927 million.

Vestel's Science Based Targets are at the Approval Stage

Vestel Beyaz Eşya has made a commitment to set a Science Based Target (within the scope of the Science Based Targets Initiative - SBTi) and the target is currently at the approval stage.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Sustainability Meets Data Science

All sustainability indicators and targets monitored within the scope of environmental, social and governance have started to be monitored and reported through MAP, a digital data platform.

Innovation Award for Vestel Washing Machine with Microfibre Filter

Vestel's microfibre filter washing machine received the Special Mention award in the Excellence in Business to Consumer - Household Appliances category of the German Innovation Award 2023 competition.



Award in the 'Innovation Cycle' Category at InovaLIG

Vestel Beyaz Eşya won the first prize in the "Innovation Cycle" category at the InovaLIG, organized by the Türkiye Exporters Assembly, where innovation champions of Türkiye are recognized.



One Gold and One Silver Award for Vestel from Globee Awards

Vestel was awarded with one Gold and one Silver award at Globee Sales, where the top companies in customer service and marketing practices are recognized on a global scale.



Achievement in S&P Global Corporate Sustainability Assessment Survey

Vestel Beyaz Eşya participated in the S&P Global Sustainability Survey for the first time and became the 2nd highest-scoring company in its sector with 65 points.

Vestel Receives One Gold and One Silver Award at Türkiye Customer Experience Awards

Vestel Customer Services received Gold Award in the 'Best Use of Customer Insight and Feedback "Strategy"' category and Silver Award in the 'Best Product or Service Development' category at the Türkiye Customer Experience Awards (TCXA'23) organized by Awards International.

Three Awards for Vestel from Stevie Awards

Vestel won one Gold and two Bronze medals at the Stevie Awards, recognized as the world's most prestigious business awards. Vestel Customer Services was awarded Gold for its "Household Appliance Analytics" project, and Bronze for its "Installing Software on Household Appliances: Veslink" and "No Signal" projects.



Vestel Received an Award at the Sustainable Business Awards

At the 10th Sustainable Business Awards organized this year, Vestel Customer Services won an award in the 'Employee Engagement' category with its 'Open Kitchen' team.

VESTEL BEYAZ EŞYA INTEGRATED BUSINESS MODEL

Inputs

Financial Capital

- Total capital and assets
- Strong and sustainable liquidity position
- Use of different financing instruments (domestic/ foreign bank loans, capital market products, etc.)

Human Capital

- A competent senior management and board of directors
- 9,171 competent employees
- 518 contractor employees
- Ratio of women in the board of directors: 14%

Intellectual Capital

- An R&D team of 729 people
- 27 years of sectoral knowledge and innovation capacity
- TL 724.3 million of R&D investment

Manufactured Capital

- One of the largest production complexes in Europe built over a single site
- 6 production plants with a total closed area of 509 thousand sqm in Vestel City, which has an area of 1.3 million sqm
- 1,363 Vestel stores, 1,235 Regal stores and 10 VsOutlets
- TL 1,048 million of investments in plant, machinery, and equipment
- Production capacity of 15.6 million units/year

Social and Relationship Capital

- Collaborations with 24 sectoral stakeholders
- Transparent and accountable investor relations
- Over 1 million individual customers in Türkiye and more than 600 corporate customers globally
- A total of 1,449 suppliers, 1,349 local suppliers, and 110 critical suppliers

Natural Capital

- 516,042 tons of raw material input
- 216,281 MWh of energy use
- 853,816 m³ of water withdrawal

To design innovative and digital products and services that address customer needs

To realize flexible and agile production in large-scale, smart plants

Changing geopolitical dynamics and affected trade relations

GLOBAL TRENDS AND DEVELOPMENTS

Strategic Approach

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION
Achieving human-oriented transformation in the entire value chain with the power of technology

A NET-ZERO COMPANY
Applying innovative business models and adopting the circular economy for transition to an economy based on net zero emissions

To provide sales and after-sales services focused on the best customer experience

Increasing trend of digitalization and changing expectations of customers

Global environmental challenges such as climate crisis, diminishing resources, loss of biodiversity

Outputs

Products

- Refrigerator
- Deep Freezer
- Dishwasher
- Washing Machine
- Tumble Dryer
- Cooking Appliances
- Air-conditioner
- Water Heater
- Vaccine Storage Cabinet

Services

- Smart and digital solutions
- Customer services
- Hygiene solutions

Waste and Emissions

- 77,039 tons of Scope 1&2 carbon emission
- 47,620 tons of waste

Impact Created

Financial Capital

- Market capitalization of TL 25.6 billion as of 29 December 2023
- Net profit of TL 4.7 billion
- Revenues of TL 61.1 billion with a 2% yoy increase in real terms (inflation-adjusted)
- EBITDA of TL 7.9 billion up by 174% yoy in real terms
- TL 329.7 million of savings through innovation efforts regarding processes
- TL 43.1 billion of export revenues
- Gross dividend payment of TL 353 million (inflation-adjusted TL 543 million)
- Net financial debt-to-EBITDA ratio of 0.5x

Human Capital

- A female employee ratio of 31%
- A high performance employee turnover rate of 5.22%
- 77.581 hours of OHS training given to employees
- 14 hours of training per employee per year

Intellectual Capital

- 32 awards in digitalization and technology
- A total of 105 patent applications in 2022 to the Turkish Patent and Trademark Office (TÜRKPATENT)
- 17 patent applications to the World Intellectual Property Organization (WIPO), and 133 patent applications in total
- 86 registered patents
- 127 active R&D projects
- Vestel is one of Türkiye's top 3 most valuable brands with a brand value of USD 927 million

Social and Relational Capital

- Customer satisfaction score of 89 in Türkiye
- Vstar customer satisfaction score of 96 in Türkiye
- A community investment of TL 83.3 million (inflation-adjusted)
- Strong brand identity and image
- Cooperation with 19 universities within the scope of open innovation

Natural Capital

- Energy savings of 2,034 MWh and prevention of 2,192 tons of carbon emissions
- 170 MWh of renewable energy use
- 11% reduction in the water amount per unit of product compared to 2021
- Waste recycling at 95%
- 37,383 household appliances renewed as part of circular economy
- 5,385 tons of unprocessed plastic usage reduction

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER












Developing solutions that meet the needs of the future and make life easier by creating environmental and social benefits

STRATEGIC APPROACH

Operating with the vision of becoming a technology company that creates social and environmental benefits with its accessible and smart products that make life easier, Vestel Beyaz Eşya has established its strategic approach accordingly.

VISION:

Being a technology company creating social and environmental benefits through accessible and smart products that render life easier

Area of Strategy	Technology and Human-Oriented Transformation	A Net Zero Company	Accessible and Smart Solutions that Make Life Easier
	<ul style="list-style-type: none"> Achieving human-oriented transformation in the entire value chain with the power of technology Spreading the transformation culture driven by technology and digitalization to the entire company and increasing the Company's share in the global market Applying to the value chain the technological innovations adding value to human life Focusing on diversity, inclusion and social benefit 	<ul style="list-style-type: none"> 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 the Company's operations and then in the entire value chain Implementing circular models that improve the Company's impact on natural resources 	<ul style="list-style-type: none"> Developing solutions that meet the needs of the future and make life easier by creating environmental and social benefits Developing new ideas and business models Developing digital service platforms by understanding customer needs Offering products and services that create environmental and social benefits
Relevant Material Issue	<ul style="list-style-type: none"> R&D and Innovation Digitalization Talent Management and Employee Engagement Responsible Supply Chain 	<ul style="list-style-type: none"> Climate Crisis and Transition to a Zero Carbon Economy Circular Economy and Waste 	<ul style="list-style-type: none"> R&D and Innovation Digitalization and Consumer Experience Products Creating Environmental and Social Benefits Customer Satisfaction and Communication
Main Targets	<ul style="list-style-type: none"> Achieving a female employee share of 40% by 2030 Ensuring 100% compliance of all critical suppliers with the Supplier Code of Conduct by 2030 	<ul style="list-style-type: none"> Being a net zero company in the entire value chain by 2050 	<ul style="list-style-type: none"> Increasing the online turnover rate in Türkiye to 25% by 2030
Relevant Sustainable Development Goals (SDGs)	 	 	 
	 	 	

Vestel Beyaz Eşya expands its global impact by increasing its share in the global market with the power of its transformation culture.

Technology and Human-Oriented Transformation

Vestel Beyaz Eşya aims to transform its corporate culture in a human-oriented way by leveraging the power of technology and digitalization. The Company extends this culture to the entire company and develops the competencies of its employees in line with the new needs of the century, and implements digital and technological innovations in its operations. Adopting diversity, inclusiveness and social benefit as its core principles, in its value chain, Vestel Beyaz Eşya implements technological innovations that add value to people's lives, and expands its global impact by increasing its share in the world market with the power of its transformation culture.

Major Capital Areas

Financial Capital
Intellectual Capital
Social and Relationship Capital
Human Capital

A Net Zero Company

Vestel Beyaz Eşya, which believes that taking part in the fight against the declining natural resources and climate crisis should be on the agenda of everyone from the public to the private sector, based on this responsibility, the Company invests in regenerative business models for the transition to a net zero emission economy and works to implement circular models in both its products and operations.

Major Capital Areas

Financial Capital
Natural Capital

Accessible and Smart Solutions that Make Life Easier

Accessible and Smart Solutions that Make Life Easier Vestel Beyaz Eşya believes that the products and services it offers will play a key role in the construction of a sustainable society, and considers producing solutions that meet the needs of the future by creating environmental and social benefits, make life easier and are accessible to everyone among its main goals.

Major Capital Areas

Financial Capital
Intellectual Capital
Manufactured Capital
Social and Relationship Capital

STRATEGIC APPROACH

Vestel Beyaz Eşya updated its material issues in line with the double materiality approach, taking into account stakeholder expectations, executive opinions and global trends.

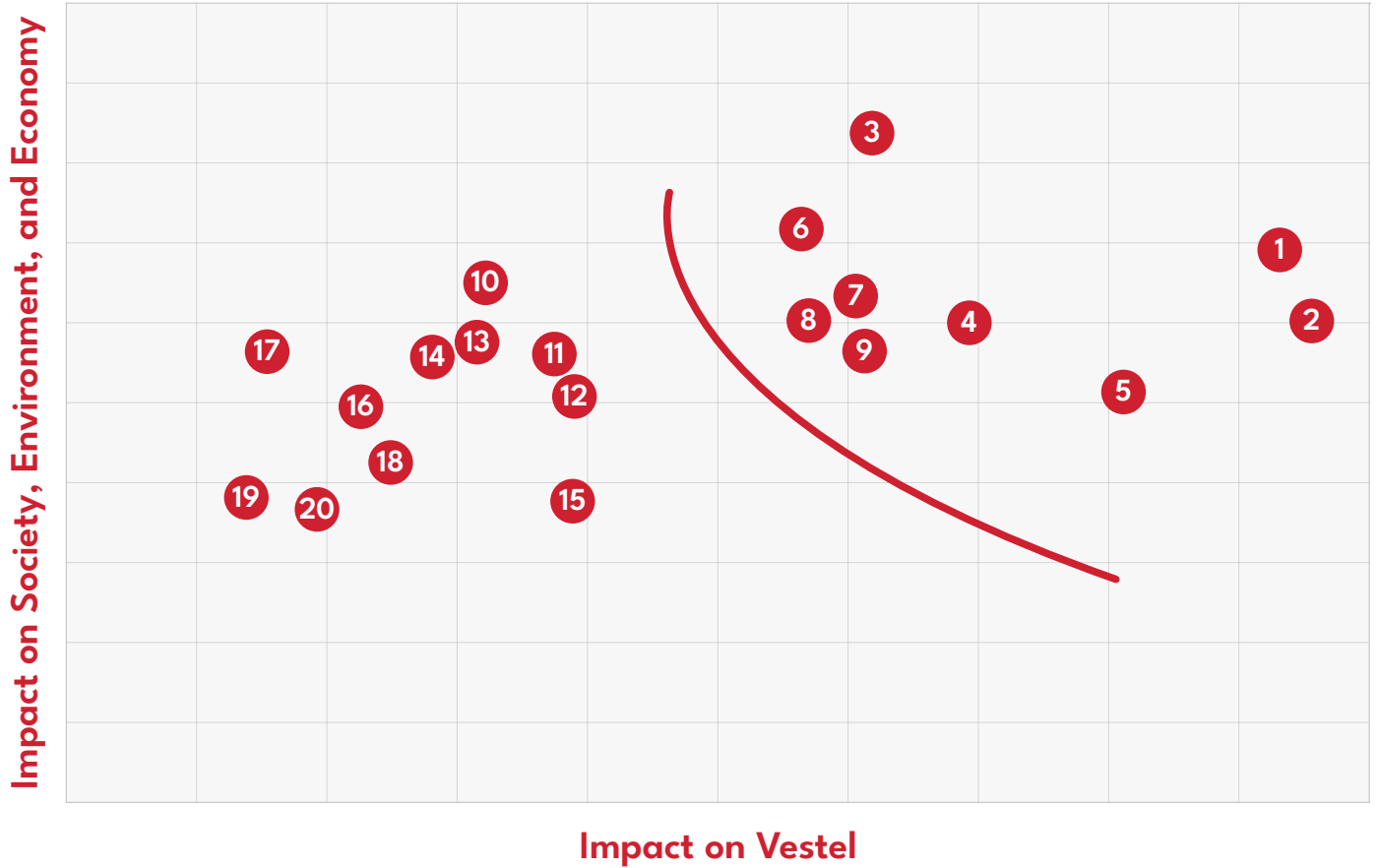
MATERIALITY ANALYSIS

During the materiality analysis process, a long list of topics including issues relevant to the sector in which the Company operates was first developed through an extensive literature review. A comprehensive stakeholder analysis was conducted in 2021 by consulting a total of 2,372 stakeholders, and different stakeholder groups prioritized the list of issues through online surveys. In addition, Vestel benefited from the reports of international and sectoral initiatives and associations, global trends, sustainability index criteria and the priorities of other sector players under the external trend analysis.

External trend analysis and stakeholder opinions helped with the identification of the priorities of stakeholders while Vestel's business strategy, opinions of executives, four-stage impact analysis and **Zorlu Holding's Smart Life 2030** strategy contributed to setting Vestel's priorities. Common issues that stand out in both areas formed the material issues. While 12 general managers and 1 board member in Vestel Group of Companies were interviewed to identify the opinions of the executives, the opinions of 31 deputy general managers were collected through online surveys. During the four-stage impact analysis, each topic was evaluated in terms of financial impacts and risks, regulatory impacts, innovation opportunities, sectoral examples, and competitive advantage.

In 2024, Vestel Beyaz Eşya updated its material issues in line with the double materiality approach, taking into account stakeholder expectations, executive opinions and global trends. While assessing global trends, the expectations of current standards and indices, particularly the United Nations Sustainable Development Goals (SDGs), the World Economic Forum Global Risks Report (WEF), MSCI, S&P Global Corporate Sustainability Assessment (CSA), were reviewed. In order to determine Vestel Beyaz Eşya's financial impact, interviews were conducted in detail with 5 managers and 2 investors and their opinions were compiled. The impact assessment, which is carried out within the framework of the double materiality approach, enables a comprehensive assessment of issues that may have an impact on Vestel Beyaz Eşya's financial performance, as well as the impacts on society, the environment and the economy. In the impact assessment, the impact of each topic was analyzed on the basis of whether the impact was positive and/or negative, the size, scope and likelihood of the impact. As a result of the analysis updated in 2024;

- Digitalization and Consumer Experience have been identified as the top priority.
- The number of very high priority topics increased to 9 with the inclusion of Data Security and Cyber Risks.
- The number of topics decreased by two topics to 20 compared to the analysis in 2021.
- The topic of Employee Engagement and Satisfaction was combined with Talent Management and included in the joint evaluation.
- Stakeholder Interaction and Collaboration topics have been removed from the list of prioritized topics.



Top Priority Issues

- 1 Digitalization and Consumer Experience
- 2 R&D and Innovation
- 3 Climate Crisis and Transition to a Zero Carbon Economy
- 4 Talent Management and Employee Engagement
- 5 Customer Satisfaction and Communication
- 6 Circular Economy and Waste
- 7 Responsible Supply Chain
- 8 Products Creating Environmental and Social Benefits
- 9 Data Security and Cyber Risks

High Priority Issues

- 10 Product Quality and Safety
- 11 Corporate Governance
- 12 Equal Opportunities, Diversity and Inclusion
- 13 Occupational Health and Safety
- 14 Water and Wastewater
- 15 Integrated Risk Management
- 16 Ethics, Compliance and Transparency
- 17 Human Rights
- 18 Responsible Raw Material Management and Conflict Affected and High-Risk Area Minerals

Medium Priority Issues

- 19 Biodiversity
- 20 Community Investment Programs

STRATEGIC APPROACH

The impact assessment enables a comprehensive assessment of issues that may have an impact on Vestel Beyaz Eşya's financial performance, as well as the impacts on society, the environment and the economy.

MATERIAL ISSUES













Material Issue	Significance	Relevant Stakeholders	Relevant Department
Digitalization and Consumer Experience	In parallel with digitalization, customers demand digital products and services with emerging technologies. Developing digital products responding to customer needs by closely following evolving consumer behaviors is among the basic requirements for being a pioneer in the rapidly transforming sector.	Customers, employees	Accessible and Smart Solutions That Make Life Easier
R&D and Innovation	As a technology company, R&D and innovation are critical for Vestel Beyaz Eşya in terms of both developing new products and transforming operations.	Employees, customers	Technology and Human-Oriented Transformation
Climate Crisis and Transition to a Zero Carbon Economy	It is important to achieve net zero in greenhouse gas emissions as quickly as possible to keep global warming below 1.5 °C by 2050 and minimize the effects of the climate crisis. The steps taken by the Company in its product portfolio and operations play a key role in the transition to a zero carbon economy.	All stakeholders/society	A Net Zero Company
Talent Management and Employee Engagement	With the rapid increase in digitalization, especially due to COVID-19, many jobs and job descriptions now have to transform. In a constantly-transforming environment, existing capabilities need to be continuously developed and adapted to current needs. It is critical to find right talents and invest in talents according to the requirements of the new century in order to remain a pioneering company in technology and digitalization.	Employees	Employees
Customer Satisfaction and Communication	Keeping customer satisfaction high by always offering innovative products and the best services to customers plays a key role in the continuity of business success.	Customers	Customer Experience
Circular Economy and Waste	The prevailing linear economy model stands out as a model in which waste is considered as worthless and the increasing pressure on natural resources is ignored, leading to negative consequences such as economic loss and environmental pollution. In order to prevent these phenomena and protect the continuity of production, the adoption of cyclical models through which products are designed to be reintroduced to the economy and which accordingly changes the perspective on resources and waste, becomes prominent.	All stakeholders/society	A Net Zero Company
Responsible Supply Chain	Management of the supply chain has a very important place in terms of the continuity of operations and the reputation of the company. Monitoring environmental and social performance within the supply chain is among the basic requirements of successful supply chain management.	Suppliers	Supply Chain
Products Creating Environmental and Social Benefits	Various products and services that are low-carbon, reduce water consumption and pollution, and target disadvantaged groups will play an important role in building a sustainable society.	Customers, society	Accessible and Smart Solutions That Make Life Easier
Data Security and Cyber Risks	The digitalization of business processes, products and services leads to cyber risks.	Employees, customers	Technology and Human-Oriented Transformation














	Climate Crisis and Transition to a Zero Carbon Economy	R&D and Innovation	Equal Opportunities, Diversity and Inclusion
Impact on Vestel Beyaz Eşya	<p>Transition to a zero-carbon economy has become a strategic priority for Vestel Beyaz Eşya to enhance its competitiveness and strengthen its long-term growth potential.</p> <p>Around the world, particularly in Europe, demand for low-carbon products is on the rise and companies are facing growing pressure to reduce their emissions. This poses an important challenge for Vestel Beyaz Eşya's future reputation and sales.</p> <p>Detailed information can be found in the Global Trends, Risks and Opportunities section of the report.</p>	<p>As a technology company and a company operating in an innovation-oriented sector, R&D and innovation play a critical role for Vestel Beyaz Eşya in both developing new products and transforming operations. Vestel Beyaz Eşya's inability to ensure the continuity of its R&D activities may affect its competitiveness in the market and financial performance.</p>	<p>Embracing the principles of equal opportunities, diversity and inclusion positively affects Vestel Beyaz Eşya's corporate culture. Lack of diverse perspectives and experiences can lead to a decline in innovation and efficiency. This could have a negative impact on Vestel Beyaz Eşya's reputation, resulting in loss of market share and difficulties in attracting potential talent.</p>
Impact on Environment, Society, and Economy	<p>Record-breaking high temperatures are making the impacts of the climate crisis more and more evident, and disasters and extreme weather events are becoming more frequent.</p> <p>Actions taken to combat climate change have a significant impact on the Company's Scope 3 emissions, especially considering Vestel Beyaz Eşya's wide range of products. It is therefore an important field for Vestel Beyaz Eşya to manage its impact on climate and contribute to the Paris Agreement's goal of limiting global warming to 1.5 C.</p>	<p>The innovative products developed through Vestel Beyaz Eşya's R&D activities have the potential to make a significant difference in the everyday lives and environmental impact of people by touching a wide range of audiences and households. Such solutions not only support the mitigation of environmental impacts and improve the welfare of society, but also contribute to economic growth by increasing the company's competitiveness.</p>	<p>By investing in a diverse workforce, Vestel Beyaz Eşya improves the quality of life of its 9,171 employees and their families, while also contributing to social transformation. Building a more just and equitable structure in society supports social welfare and economic growth.</p>
Stakeholders Affected	All stakeholders/society	Employees, customers	Employees
Impact on Value Chain	Entire value chain	Entire value chain / Operations	Operations
Strategy	<p>Vestel Beyaz Eşya started to implement its "Decarbonization Strategy." Accordingly, actions include transitioning to technologies that result in less greenhouse gas emissions in production, increasing renewable energy investments, carrying out energy efficiency projects, and manufacturing products with high energy efficiency, less water consumption, less carbon emissions, and low environmental impact.</p>	<p>Vestel Beyaz Eşya increases its production capacity in a smart and responsible manner with the power of R&D and innovation. With a team of 729 employees, Vestel has been carrying out R&D and innovation activities for 27 years.</p>	<p>Vestel established the Gender Equality Group within Vestel in order to develop volunteering projects that raise awareness with the motto "An Equal Life is Possible for All."</p> <p>The Company encourages efforts to ensure gender equality throughout the Company, including in recruitment practices. Zorlu Holding's Equal Life Gender Equality Manifesto is adopted.</p>
Targets	<ul style="list-style-type: none"> • Net zero emissions in the value chain by 2050 • Reducing Scope 1 and 2 GHG emissions by 42% in 2030 compared to the base year (2021), • Vestel Beyaz Eşya targets a 25% reduction in Scope 3 Category 11 emissions in 2030 compared to the base year (2021). 	<p>In 2024, Vestel Beyaz Eşya R&D centers aim to carry out 141 projects.</p>	<ul style="list-style-type: none"> • Vestel Beyaz Eşya aims to increase the share of female employees to 40% by 2030 • Increasing the share of female employees in STEM positions to 29%
Performance	<p>Vestel Beyaz Eşya made a significant step towards achieving net zero by making a commitment under the Science Based Targets Initiative (SBTi). In 2023, a 13% reduction in Scope 1 and 2 emissions was realized compared to the base year 2021.</p>	<p>In 2023, the number of projects carried out by Vestel Beyaz Eşya R&D centers was 135.</p>	<p>In 2023, while the share of female employees at Vestel Beyaz Eşya was 31%, the share of female employees in STEM positions was realized as 24%.</p>

STRATEGIC APPROACH

Vestel Beyaz Eşya has strengthened its sustainability performance with the progress it has made in the targets set within the scope of its material issues.

2030 TARGETS

Subject	Target	Unit	Target Year	Base year: 2021 Performance	2023 Performance	Change Compared to Base Year	Related SDG
İklim Krizi ve Sıfır Karbon Ekonomisine Geçiş	42% reduction in Scope 1 and 2 greenhouse gas emissions	tCO ₂ e	2030	88,632	77,039	13% ↓	 
	15% reduction in energy intensity (per unit product)	Energy (kWh)/unit product (units)	2030	18.29	18.32	0.2% ↑	 
Water and Wastewater	Reducing the amount of water withdrawn per unit of production by 20%	Withdrawn water liter/unit product (units)	2030	81.1	72.3	11% ↓	
	Using 50% recovered and recycled water	Recovered and recycled water (m ³)/Total water withdrawal (m ³)	2030	0.5%	13%	12.5% ↑	
Circular Economy and Waste	Setting the amount of hazardous waste sent to landfills to zero by 2025	Amount of Waste (Tons)	2025	0.90	0.74	18% ↓	 
Talent Management/ Equal Opportunity, Diversity, and Inclusion	Achieving a female employee share of 40% in the total workforce	%	2030	31%	%31	—	 
	Increasing the share of female employees in managerial (Supervisor and Above) positions to 18%	%	2030	14%	18%	%4 ↑	 

Subject	Target	Unit	Target Year	Base year: 2021 Performance	2023 Performance	Change Compared to Base Year	Related SDG
Talent Management/ Equal Opportunity, Diversity, and Inclusion	Increasing the share of women working at the first level of management (Supervisor) to 24%	%	2030	18%	21%	3% ↑	 
	Increasing the share of women working at middle level of management (Manager) to 13%	%	2030	10%	8%	2% ↓	 
	Increasing the share of women working at senior level of management (DGM, GM, Executive Committee) to 14%	%	2030	0%	8%	8% ↑	 
	Increasing the share of female employees in income-generating positions* to 33%	%	2030	17%	21%	4% ↑	 
	Increasing the share of female employees in STEM positions to 29%	%	2030	25%	24%	1% ↓	 
Talent Management	Increasing the average annual training hours per employee to over 20 hours	Hours	2030	14	14	-	
Community Investment Programs	Increasing the share of social investments in EBITDA to 1%	Annual %	2030	0,2%	1.05%	0.85% ↑	 

*Share of female employees in revenue-generating positions refers to the ratio of the number of women in management positions in revenue-generating functions to the total number of employees in management positions in revenue-generating functions during the reporting period.

STRATEGIC APPROACH

In 2023, Vestel Beyaz Eşya participated in the S&P Global Sustainability Survey for the first time and became the 2nd highest-scoring company in its sector with 65 points.

Vestel Beyaz Eşya was entitled to be included in the S&P Global The Sustainability Yearbook-2024, where 759 companies were selected.

PARTICIPATION IN INITIATIVES AND SUSTAINABILITY INDICES

	Score for 2022	Score for 2023
LSEG ESG	77	82
S&P Global CSA	16	65
Sustainalytics	22.8 medium risk	13.4 low risk
CDP Climate Change	A-	A-
CDP Water	C	C
Ecovadis	53- Bronze	67- Silver

Vestel Beyaz Eşya believes in the importance of working together with different stakeholders and participating in multi-stakeholder initiatives as key to improving performance on its material issues and driving sectoral transformation. Vestel Beyaz Eşya supports the United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs) and is among the supporters of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, as a signatory to the Business Plastics Initiative (BPG), the Company has made a commitment to reduce the plastic use and to recycle and reuse plastics.

Vestel Beyaz Eşya aims to achieve net zero emissions by 2050, first in its own operations and then in its entire value chain. A significant step towards achieving net zero was taken by committing to set a Science Based Target initiative (SBTi). In 2023, carbon emission reduction targets for Scopes 1-2 and 3 of the Science Based Targets initiative were shared and the verification process is underway.

With the verification of the targets by SBTi, the mitigation plan and investments will begin to be implemented and the current work will continue at full speed.

Besides supporting various initiatives, Vestel Beyaz Eşya is included in various indices due to its outstanding performance in environmental, social and governance (ESG) issues. Vestel Beyaz Eşya has been included in the Borsa Istanbul Sustainability Index since 2016 and ranks 3rd among 94 companies in the sector on a global basis with a score of 82 in the ESG assessment by the LSEG rating agency. On the Sustainalytics platform, it moved from the medium risk level to the low risk level, with risk scores of 22.8 and 13.4, respectively. With this rating, the Company climbed to 2nd place among the 73 companies in its sector. Vestel Beyaz Eşya increased its Ecovadis score by 24% year-on-year, reaching Silver level.

ASSOCIATION MEMBERSHIPS AND SUPPORTED INITIATIVES



United Nations
Global Compact

TCFD

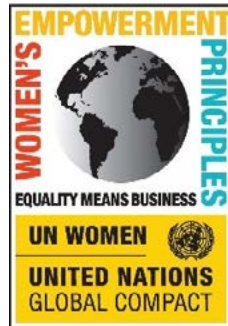
TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



SCIENCE
BASED
TARGETS

İpg

İŞ DÜNYASI
PLASTİK GİRİŞİMİ



STRATEGIC APPROACH

Vestel Beyaz Eşya attaches great importance to an effective governance structure in the integration of environmental, social, and governance issues throughout the Company.

SUSTAINABILITY MANAGEMENT

Acting with the vision of becoming a technology company that generates social and environmental benefits with its accessible and smart products facilitating life, an effective governance structure is of great importance for Vestel Beyaz Eşya in integrating environmental, social and governance (ESG) issues across the entire company.

Vestel Beyaz Eşya manages sustainability issues, risks and opportunities at the highest level through the Sustainability Committee established at the Board of Directors (BoD) level. Established in 2023, this committee consists of Vestel Group of Companies' Chief Executive Officer and one Board member. The decisions of the Committee are reported to the BoD and also provide input to other committees at the BoD level. In addition, sustainability issues are managed by the Sustainability Department reporting to the CEO. Committee meets at least four times a year, at least every three months. Frequency of meetings is decided annually upon the proposal of the Committee members and the approval of the Chairman of the Committee.

The Sustainability Committee also ensures the effective management of issues, risks and opportunities related to climate change. Climate change issues are the responsibility of the CEO at the highest level. The BoD is responsible for reviewing and approving the decisions and strategies. Other climate-related issues are regularly included on the agenda of the Sustainability Committee. Committee decisions are disseminated to relevant departments through all Vestel General Managers, thus ensuring that climate, environment, business continuity, reputation, and sustainability issues

are effectively brought to the company agenda in top-level decision-making processes in line with committee decisions.

Performance indicators in the sustainability domain are included in the performance score cards of executives at the level of General Manager and Deputy General Manager, in line with the approval of the CEO and other senior management officials within Vestel. The performance targets of the Sustainability Manager, Energy Efficiency Managers, and relevant team members also contain annual indicators and goals aligned with sustainability objectives.

The duties and responsibilities of the Sustainability Committee, which was established to determine Vestel Beyaz Eşya's sustainability strategy, goals, risks, and opportunities in the context of sustainability, as well as to integrate all sustainability efforts throughout the Company, are as follows:

1. Monitoring sustainability efforts:

- 1.1. Reviewing the sustainability strategy, goals and policies, including climate change, and submitting recommendations to the Board of Directors.
- 1.2. Following current developments in the field of sustainability and advising the Board of Directors accordingly on how to improve existing strategies, policies and practices,

2. Coordination of sustainability efforts:

- 2.1. Taking preventive/remedial measures to ensure the implementation of sustainability principles and informing the Board of Directors.



3. Overview, recommendations and other activities:

- 3.1. Submission of proposals on the necessary management and organizational structure in line with the sustainability strategy and goals.
- 3.2. Submission of proposals on sustainability-related issues assigned by the Board of Directors.
- 3.3. Proposing local and international memberships and collaborations to support the success of the sustainability strategy and goals.
- 3.4. Providing evaluation and feedback to Vestel Beyaz Eşya Sanayi ve Ticaret AŞ regarding the "Smart Life 2030 Strategy Framework and Long-Term Strategic Targets," which constitute Zorlu Group's sustainability vision, and the "Sustainability Action Steps" established by Zorlu Holding AŞ to achieve these targets, monitoring Vestel Beyaz Eşya Sanayi ve Ticaret AŞ's targets, determining performance criteria and ensuring the accurate and consistent measurement of performance.
- 3.5. Following national and international sustainability issues.
- 3.6. Ensuring presence on platforms where sustainability-related issues are addressed, where necessary.
- 3.7. Gaining insight into the activities of sub-working groups on sustainability issues, evaluating them, and reviewing them before presenting to the Board of Directors.

4. Reporting and Communication

- 4.1. The preparation of meeting minutes by the Board Secretary and submission for approval by the Committee members.
- 4.2. The Committee Chairman presenting information about the committee's activities and meeting outcomes to the Board of Directors at the first meeting following each committee session.

Vestel Beyaz Eşya, as part of Zorlu Holding, actively participates in and contributes to the Smart Life 2030 initiatives, which are part of Zorlu Holding's sustainability vision. Under the main strategies of preparing for the future with an innovative business model approach and developing people-oriented ecosystems, the Company has set sustainability targets in the areas of environmental, social and governance (ESG). Vestel Beyaz Eşya aligns its sustainability goals with the Smart Life 2030 vision, thereby contributing to Zorlu Holding's overall objectives. You can access the details of the Smart Life 2030 vision and the activities Vestel Beyaz Eşya is involved in [here](#).

STRATEGIC APPROACH

Under the coordination of the Vestel Group of Companies Sustainability Department, there are working groups on Environment, Social, Governance, Technology, Supply Chain and Customer Satisfaction.

Vestel Sustainability practices are being developed and implemented in line with the new road maps prepared by the Sustainability Working Groups under the leadership of the Sustainability Committee.

Sustainability Working Groups

Under the coordination of the Vestel Group of Companies Sustainability Department, there are working groups on Environment, Social, Governance, Technology, Supply Chain and Customer Satisfaction. Sustainability Working Groups have been established to control and coordinate sustainability-related issues. The members of these groups consist of experts and/or managers responsible for sustainability-related issues appointed by each department. These groups meet once a month. Sustainability Working Groups report to the Sustainability Committee. Sustainability Working Groups started working in 2021 in line with the new roadmaps prepared, and the work continued in 2023.

The duties and responsibilities of the Sustainability Working Groups are as follows:

- Ensuring that all activities of the Sustainability Working Groups are in line with corporate strategy, policies and sustainability principles,
- Implementing the decisions of the Sustainability Committee,
- Implementing sustainability as the main strategy in processes,
- Developing proactive solutions for the Company’s risks and opportunities related to sustainability, climate change and water management, reporting the said solutions and sharing best practices,
- Preparing and/or coordinating action plans for sustainability targets, implementing action plans, monitoring progress towards targets, and reporting KPI results.

Working Groups and Their Fields of Activity

Environment

- Climate Crisis and Zero Carbon Economy
- Circular Economy and Waste
- Products Creating Environmental Benefits
- Water and Wastewater
- Biodiversity

Social

- Talent Management and Employee Engagement
- Occupational Health and Safety
- Equal Opportunities, Diversity and Inclusion
- Human Rights
- Community Investment Programs

Governance

- Corporate Governance
- Integrated Risk Management
- Ethics, Compliance and Transparency

Technology

- R&D and Innovation
- Digitalization and Consumer Experience
- Products Creating Environmental and Social Benefits
- Data Security and Cyber Risks
- Product Quality and Safety

Supply Chain

- Responsible Supply Chain
- Responsible Raw Material Management and Conflict Affected and High-Risk Area Minerals

Customer Experience

- Customer Satisfaction and Communication
- Customer Experience



At Vestel Beyaz Eşya, all sustainability indicators and targets monitored within the scope of environmental, social and governance issues started to be monitored and reported internally through a digital data platform as of 2023.

Sustainability Data Management at Vestel

At Vestel, all sustainability indicators and targets monitored within the scope of environmental, social and governance issues started to be monitored and reported internally through a digital data platform as of 2023.

With the cooperation with MAP360, a sustainability-focused data science platform that operates to help organizations use modern data science technologies to drive value-oriented transformation throughout their operations, all Vestel Sustainability targets can be easily reported and monitored.

Quarterly reports are submitted to the Sustainability Committee, consisting of the CEO and General Managers, and annual sustainability data obtained from many different units of Vestel can be easily managed through MAP360. This way, Vestel is able to expand, make visible, and monitor all of its environmental, social, and governance targets at all levels within the company.

STRATEGIC APPROACH

Vestel Beyaz Eşya aims to ensure the compliance of all stakeholders with the Ethical Principles by integrating the ethical conduct into the entire institution.

ETHICAL PRINCIPLES

Vestel Beyaz Eşya adopts an ethical way of doing business based on Zorlu Holding Ethical Principles. Guided by the Ethical Principles to realize its vision, it conducts its activities in line with the principles of accountability and transparency.

Zorlu Holding Ethical Principles regulate the basic principles, values and ways of doing business of the Holding and all Group companies. Ethical Principles, which constitute an indispensable set of rules created with the cornerstones of “integrity” and “honesty,” is in harmony with corporate policies, values and principles. Concerning the entire workforce, the Ethical Principles are binding for all stakeholders, especially suppliers, business partners, dealers, authorized vendors and authorized services as well. They ensure the effective management of stakeholder relations.

By integrating the culture of ethical behavior into the entire institution, Vestel aims to ensure compliance of all stakeholders with the Ethical Principles. In the fight against all kinds of corruption, including bribery, the Company makes use of tools such as Zorlu Holding’s internal audit mechanism, independent company audits, and information management systems as well as the Ethical Principles.

Zorlu Holding Ethical Principles are available [here](#).

Compliance with the Ethical Principles

All employees and stakeholders can send an e-mail to the Ethical Principles Hotline (etik@vestel.com.tr, etik@zorlu.com) and call +90 212 456 23 23 or +90 850 226 23 23 phone numbers at any time of the day to report and consult about the irregularities they encounter on ethical issues.

Set up with the aim of establishing, developing and maintaining an ethical culture, the Ethics Committee is chaired by Zorlu Holding CEO and consists of Zorlu Holding Chief Human Resources Officer, Zorlu Holding Chief Legal Officer and Zorlu Holding Audit General Manager.

Notifications (complaints, denunciations and claims) submitted to the Ethical Principles Hotline are reviewed, prioritized, listed and reported to the Ethics Committee by Zorlu Holding’s Audit Group that report directly to the Board of Directors. Identity of the employee/ persons who notify the breach shall be kept confidential within the framework of legal/legal and administrative requirements. Employees shall not be retaliated against for their notifications.



In 2023, a total of 309 employees received one-hour Ethical Principles training at Vestel Beyaz Eşya.

The necessary activities, examinations or investigations regarding the complaints, claims and denunciations received by the Ethics Hotlines are carried out by the Internal Audit Review Department under the Zorlu Holding Audit Group Presidency, an independent department, in accordance with the principles of impartiality and confidentiality. In the event that any transaction or action in violation of the Ethical Principles is identified, either a report on this situation or the result of the investigation that no behavior in violation of Ethical Principles was identified is submitted by the Internal Audit Review Department to the General Manager, Sector Head, members of the Ethics Committee and the Board of Directors as well as the CEO of the relevant company. In 2023, Vestel Beyaz Eşya received one notification on Ethical Principles. The audit and action process regarding the notification, which also includes an allegation of corruption, is ongoing. Apart from this, no employee was sanctioned.

There were no lawsuits on environmental and governance (including corruption) issues in 2023. There are a total of 13 finalized cases regarding social issues.

As a Zorlu Group company, Vestel Beyaz Eşya offers Ethical Principles e-training through the Zorlu Academy online training platform. These trainings, which aim to increase awareness about ethical principles, explain how employees' way of doing business, approaches, and perspectives should be arranged in accordance with these principles. Ethical Principles Training is held under the roof of Smart Life 2030. It is prepared and implemented in coordination with the Audit Department and Human Resources Department as part of the Holding's Corporate Governance Working Group activities. In 2023, a total of 309 employees received one-hour Ethical Principles training at Vestel Beyaz Eşya.

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Throughout the year, Vestel Beyaz Eşya focuses on proactively managing global and local developments and related risks, and seizing emerging opportunities in order to maintain its resilience on the financial and ESG areas.

Vestel Beyaz Eşya has defined its risk management approach as defining and implementing organization-wide mitigation/elimination actions for risks that may affect its current or future performance and/or reputation.

During 2023, political, economic, social, technological and environmental changes at the global level have continued to characterize risks and opportunities around the world. Climate change and extremely high temperatures, rising inflation and the cost of living crisis, geopolitical tensions, artificial intelligence and demographic changes are among the major issues affecting the world. In the post-pandemic period, there have been major breakthroughs in technology, and artificial intelligence has emerged not only as a trend in technology, but also as a tool for social and cultural change. As societies try to adapt to this complex and dynamic environment, global leaders and companies need to adopt a careful risk management and opportunity assessment strategy.

Throughout the year, Vestel Beyaz Eşya focuses on proactively managing global and local developments and related risks, and seizing emerging opportunities in order to maintain its resilience on the financial and ESG areas.

RISK MANAGEMENT AT VESTEL BEYAZ EŞYA

Vestel Beyaz Eşya offers a holistic management approach with a corporate risk management perspective that ensures the identification of potential consequences of the situations which threaten the continuity of its operations. In this way, it aims to foresee and evaluate the incidents that may pose barriers to its goals, and to allocate resources for possible preventive measures, and to establish a structure for continuous monitoring of the relevant risks.

Vestel Beyaz Eşya has defined its risk management approach as defining and implementing organization-wide

mitigation/elimination actions for risks that may affect its current or future performance and/or reputation. Throughout the year, risk appetite and risk management for major risks are systematically reviewed and updated. Each department and function of the Company monitors and evaluates the risks that it faces/may face and implements actions.

As a critical part of risk management at Vestel Beyaz Eşya, when determining the Company's risk appetite and tolerance, not only financial considerations but also the impacts on reputation, innovation, sustainability, occupational health and safety, human rights, environment, productivity, employee and customer satisfaction and the Company's uncompromisable Ethical Principles, are meticulously assessed.

By structuring the corporate risk management framework in compliance with the ISO 31000 international standard and the COSO framework, and in an integrated manner with company strategies and corporate culture, it is aimed that the framework is adopted and implemented by all employees as a substantial component of corporate sustainability. Zorlu Group embraced an effective organizational structure for the continuity of Corporate Risk Management, which will lead to a cultural change. Corporate Risk Management Departments are established within the sectors where publicly traded companies, Vestel and Zorlu Energy operate. These departments will report to the Holding Corporate Risk Management Department and the Sector Upper Management in a matrix structure. The Sustainability Department actively participates in monitoring sustainability risks and opportunities



within Vestel Beyaz Eşya and prioritizing them under the company's risks and opportunities in a comprehensive manner through the Corporate Risk Management Department. This enables consolidated and comprehensive company-wide monitoring and prioritization of risks, including sustainability risks and opportunities, and the integration of sustainability risks into the overall risk management processes. At Vestel Beyaz Eşya, climate risks and opportunities are identified by taking the TCFD (Task Force on Climate-related Financial Disclosures) recommendations as a reference. These risks and opportunities have a direct impact on the strategic decisions of senior management through the Sustainability Committee, working groups, the ISM Committee and corporate risk management processes.

Within the scope of centralized risk management, Vestel Beyaz Eşya adopted the Zorlu Holding Corporate Risk Management Policy and Corporate Risk Management Regulation, which were prepared within Zorlu Holding and published by the end of 2023. One of the basic characteristics of a corporate risk management system is that it is carried out by people and decisions are taken at every business step. Therefore, all Group managers and employees have the duty and responsibility to implement and maintain an effective corporate risk management system. An extensive online training was prepared on the Zorlu Academy online training platform in 2023

to raise the awareness of Corporate Risk Management and to provide information on duties and responsibilities. It was also introduced as mandatory training for all employees in 2024.

CORPORATE RISK MANAGEMENT ACTIVITIES AT VESTEL BEYAZ EŞYA

Zorlu Holding and Group companies and their main activities are within the scope of the corporate risk management activities. The Corporate Risk Management Department aims to identify the potential consequences of the situations which threaten the continuity of the Group's activities, to envisage the incidents that may pose barriers to its goals, to allocate resources for the measures that can be taken by evaluating them, and to establish and develop a structure for continuous monitoring of the relevant risks.

Zorlu Group's corporate risk management system considers the following standards. However, the framework is developed and reviewed annually, based on the main needs of the Group.

- ISO 31000 (2018), international standard principles, framework and risk management process from ISO
- The COSO CRM integrated framework (2017 and 2022), an internationally recognized framework that defines the ideal typical organizational structure and process of enterprise-wide Risk Management

Risk Management process is composed of six sub-processes:

Corporate Risk Management Model

Risk Assessment

Risk Management Strategies

Communication and Counseling

Monitoring and Review

Reporting

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

CUSTOMER EXPERIENCE AND DIGITALIZATION		Impact	Term
Risk Definition	<p>To respond to fast-changing sector and consumer needs due to the pandemic, all processes need to be restructured within the scope of digital transformation. Digital technologies such as Industry 4.0, Internet of Things, Smart Home Systems, Big Data and Artificial Intelligence are becoming more widespread, improving customer experience and providing competitive advantage. The inability to create solutions for new technologies and innovations that are large and impactful enough to create new sectors that change existing ways of doing business and the entire industry dynamics appears to be a significant risk.</p> <p>Artificial intelligence chatbots have emerged with the rapid development of artificial intelligence and these technologies continue to become increasingly popular. According to the World Economic Forum's Global Risks Report for 2024, misinformation and disinformation generated by artificial intelligence is considered to be the most significant global risk in the next two years.</p>	Medium	Short-medium
Potential impact of the risk	<ul style="list-style-type: none"> • Decreased efficiency and performance of the Company due to Vestel Beyaz Eşya's ineffective use of tools such as data analytics, Customer Relationship Management (CRM) and artificial intelligence • Loss of turnover and market due to failure to provide fast, connected and smart products and services demanded in the sector to customers in a timely manner and at sufficient performance • Increased costs in comparison to competitors due to failure to integrate digitalization into processes • Missing out on sales and marketing opportunities as a result of Vestel's ineffective use of digital channels and platforms in customer interaction 		
Risk prevention/mitigation activities	<ul style="list-style-type: none"> • At Vestel, work is underway to establish the Data Science Department and to design a new process. • Under the Mind of Home initiative, Vestel has identified the Internet of Things (IoT) approach as one of its main strategies. In line with IoT data, the process of developing after-sales services was initiated and projects were carried out with IoT teams. • Vestel Customer Services improves customer experience using digital tools such as Vestel Has a Solution and e-appointments. The Vestel Digital Assistant project, which was launched in 2023, provides 24/7 artificial intelligence-based support to customers. In addition, digital applications specific to new generation retailing are used in Express stores. • VeeZy provides services such as energy management, smart living and after-sales support. AI-based projects such as veeChef, veeAssist and Vestel AI offer various digital services to improve the customer experience. 		
Opportunities	<ul style="list-style-type: none"> • Gaining new customers by enriching the personalized products, experiences and services offered to customers through technologies such as data analytics, artificial intelligence (AI), Internet of Things (IoT), CRM and big data • Ensuring growth and increasing market share through innovative digital products and services offered to customers (IoT, connected and smart products with AI systems, products with the most advanced technology, digital assistant, etc.) • Achieving efficiency, speed and cost advantage with the integration of digital transformation in production 		

CYBER RISKS		Impact	Term
Definition of the Risk	<p>The Global Risks Report 2024 published by the World Economic Forum lists cyber risks among the top 10 global risks in the short and long term. While the digitalization of business processes and products and services offers opportunities such as efficiency and higher performance in the working environment, it also poses cyber risks, especially data security and privacy. Failure to prevent external and internal attacks and unauthorized access to confidential/critical information and documents on information systems, corruption, damage, viruses, etc., failure to prevent security vulnerabilities, failure to prevent necessary measures related to the system, process or organization, network damage due to attacks, viruses, etc., loss, theft or leaking of confidential/critical information and documents are considered as a significant risk.</p>	High	Short-medium
Potential impact of the risk	<ul style="list-style-type: none"> • Cyber-attacks linked to extensive phishing and spamming activity, malicious external activities, phishing (2) and social engineering cause financial and reputational losses to Vestel Beyaz Eşya • Decreased performance and efficiency for Vestel Beyaz Eşya due to risks related to the use of risky software and applications, online payment processors, connected database technologies, industrial control systems, and communication tools • Exposure to financial loss, loss of reputation, loss of customers and criminal sanctions by Vestel Beyaz Eşya due to incidents such as data leakage, interruptions and cyber-attacks 		
Risk prevention/mitigation activities	<ul style="list-style-type: none"> • Cyber threat intelligence management is of great importance at Vestel Beyaz Eşya. Dark web platforms are periodically scanned with threat intelligence services. In case of data breaches concerning the Company, necessary notifications are made and timely action is taken. • At Vestel Beyaz Eşya, an effective process management is implemented through periodic scanning management, periodic studies and warnings against vulnerabilities and weaknesses. Risks are minimized by using e-mail security and end-user antivirus and intrusion prevention system (IPS) to prevent spam activity and malware. • The applications and platforms served to the outside world are monitored for vulnerabilities that have been published in global markets, and security scenarios are implemented through version updates. • At Vestel Beyaz Eşya, in addition to the improvement and control processes (scanning, troubleshooting and planned improvements) implemented before applications are launched in the outside world, access to services is provided in a controlled manner through security solutions such as DNS, SPF, SSL, DDOS, etc. • Access to critical data is isolated by implementing multiple authentication services and security architectures. • Vestel Beyaz Eşya makes systematic infrastructure improvements and receives consultancy services against external threats and actors. At Vestel Beyaz Eşya, where comprehensive intrusion detection systems are used, risks are managed at controllable levels through the use of denial of service attacks (DDOS), load balancers and firewalls. Vestel Beyaz Eşya's Cyber Security Action Plan was prepared and significant progress was made in terms of rapid action, roadmap and solutions. Efforts to purchase cyber insurance to cover the entire inventory are ongoing. 		
Opportunities	<ul style="list-style-type: none"> • Strengthened corporate reputation through a strong cyber security structure • Creating new business areas by developing products against cyber risks 		

⁽²⁾ Phishing is a type of online attack where scammers send random e-mails to user accounts.

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

PLASTIC AND WASTE POLLUTION		Impact	Term
Risk Definition	<p>Ineffective management of waste generated throughout the product life cycle, lack of recycling and inefficient use of natural resources pose risks.</p> <p>While increased plastic consumption and microplastics turned plastic pollution into an urgent environmental problem, rapidly developing technology and consumer habits have turned electronic waste into one of the world's fastest growing waste types. Due to the hazardous substances they contain, when improperly disposed of, these wastes, like plastic waste, pose a threat to the environment, human health and biodiversity. Growing number of regulations for both plastic and circular economy pose various risks.</p>	Medium	Medium-long
Potential impact of the risk	<ul style="list-style-type: none"> Regulations to prevent plastic pollution and increase recycled content in products and packaging (EU Eco Design Directive, new Packaging Waste Control Regulation, etc.) will lead to potential new taxation in the coming period. This would lead to cost increases and have a negative impact on Vestel Beyaz Eşya's financials. Increasing demand for recycled plastic raw materials for plastic reduction and rising costs of recycled plastics Quality and durability problems that may arise in products depending on recycled plastics may cause disruptions in Vestel Beyaz Eşya's production and trade cycle If Vestel Beyaz Eşya fails to develop products and business models addressing the circular economy and plastic pollution, it may fall behind its competitors Due to the Waste from Electrical and Electronic Equipment (WEEE) Directive in force in the European Union, additional taxes that may arise from practices based on a life cycle approach, taking into account factors such as durability, repairability, reusability, recyclability and the presence of hazardous substances in products, may have a negative impact on the financial performance of Vestel Beyaz Eşya and its ODM customers Mandatory microfiber filters in washing machines, which is expected to be introduced by the EU Commission by December 2025, will increase Vestel Beyaz Eşya's compliance costs 		

PLASTIC AND WASTE POLLUTION		Impact	Term
Risk prevention/mitigation activities	<ul style="list-style-type: none"> • Vestel Beyaz Eşya adopts the most efficient production practices and reduces the amount of waste through Industry 4.0 efforts. • Vestel Beyaz Eşya continues to work on zero waste factories. • As of 2021, a total of 4,344 tons of recycled plastics will be used by the end of 2022 and 7,081 tons by the end of 2023. It is also aimed to reduce plastic use by 1,000 tons by the end of 2023 compared to the base year 2020. • In addition to the development of products that ensure natural resource efficiency and reduce pollution, investments are made in repair and second-hand sales models. • Vestel Beyaz Eşya has developed a range of products that benefit the environment through the use of recycled and biologically sourced plastics, which were approved in 2023. • Obtaining tax reductions might be possible through practices within the scope of the Waste from Electrical and Electronic Equipment (WEEE) Directive in force in the European Union. • Vestel Beyaz Eşya has completed the design and productization phases of washing machines with microfiber filters and launched the products to comply with EU regulations and to contribute to reducing plastic pollution. 		
Opportunities	<ul style="list-style-type: none"> • To access various Horizon funds for circular economy R&D projects within the scope of the EU Green Deal • Ensuring quick compliance with new regulations, reducing the cost of compliance and possible additional financial burdens, and eliminating the risk of penalties • Providing cost advantages through reusable, repairable, durable products with a high level of recycled content and appealing to customers who are conscious of these issues, as well as developing new business areas through second-hand and rental models • Reducing raw material costs in production by reusing raw materials • Creating growth areas with innovative products that address circular economy, e-waste and plastic pollution 		

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

TALENT		Impact	Term
Definition of the Risk	<p>While digitalization leads to an increasing demand for talent in the business world, this demand is especially evident in the engineering and technology sectors. However, the concentration of tech talent in specific markets exposes companies to the risk of a significant talent gap. Therefore, companies, particularly those operating in engineering and technology, should attach great importance to attracting new talent, retaining existing talent, upskilling and reskilling. In addition, in the post-pandemic period, the rise of agile working culture, such as flexible working hours and locations, adaptation to new technologies and encouragement of innovation, poses a risk for companies that fail to adapt to this change.</p>	High	Short-medium
Potential impact of the risk	<ul style="list-style-type: none"> • Inability to adapt to the agile and flexible working culture, causing Vestel Beyaz Eşya to lose its existing talents or failing to attract new talents • Decreased employee loyalty and satisfaction and increased employee turnover due to Vestel Beyaz Eşya's inadequacy in areas such as wages, fringe benefits, training and career planning • Due to the emergence of an HR structure at Vestel Beyaz Eşya that fails to meet the competency needs, positions remain vacant for long periods of time and failure to assign the relevant talent to the right position • Weakening of the talent pool at Vestel Beyaz Eşya due to a lack of training to upskill existing roles to meet changing requirements or to learn new skills for a new job (reskilling) • Weakening of the new product development and innovation capacity at Vestel Beyaz Eşya due to the inability to access the new skills required for digitalization and innovation 		
Risk prevention/mitigation activities	<ul style="list-style-type: none"> • Employee satisfaction is supported by Vestel Employer Brand and Employee Loyalty Projects (Heartfelt Conversations, Seniority Plaques and Awards, New Year's Eve Sweepstakes, Welcome Package, etc.). • Besides shortening/improving recruitment processes, employee satisfaction is increased through the rotation system. • Hybrid working is practiced in departments where possible. • The focus is on effective talent management using the outputs of the White-Collar Talent and Career Management project. • Development-based training projects are organized for employees, and upskilling and reskilling trainings are offered on a department and company basis. 		
Opportunities	<ul style="list-style-type: none"> • Competitiveness in offering digital, smart products and developing innovation capacity • Vestel Beyaz Eşya to strengthen its productivity and financial performance with a talented workforce that fully realizes its potential • Reduced employee turnover, lower costs for Vestel Beyaz Eşya and enhanced Company reputation 		

SUPPLY CHAIN RISKS		Impact	Term
Risk Definition	<p>The pandemic, geopolitical tensions, climate change and rising inflation have clearly demonstrated the vulnerabilities and risks in the global supply chain. The global supply shortage of an important input such as semiconductors highlighted that the management of risks in this area has become even more critical. The security crisis in the Suez Canal following the Russia-Ukraine war has prompted route changes in maritime transportation, posing a threat to global supply chains. With the extension of sea voyage times, it is expected that there will be cost increases and disruptions in the supply chain.</p> <p>To prevent potential violations of human rights and the environment in supply chains, regulations such as the German Supply Chain Act and the EU Corporate Sustainability Due Diligence Directive (CSDDD) impose certain obligations on the business world. Supply chain risks are addressed in the following main categories.</p> <p>Supply risk: Potential problems in Vestel Beyaz Eşya’s supply chain and the risk of not being able to procure products from suppliers in a timely/complete manner</p> <p>Demand risk: The risk that Vestel Beyaz Eşya may under or over supply products to the market as a result of a sudden decrease or increase in customer demand due to sudden major shocks (e.g. epidemics, war, etc.)</p> <p>Environmental risks: Risks such as cost increases, production disruptions, etc. in the Vestel Beyaz Eşya supply chain due to the climate crisis and environmental problems</p> <p>Business and financial risks: Risks arising from reasons such as increasing costs in the supply chain, potential loss of financial stability regarding Vestel Beyaz Eşya’s suppliers and organizational errors, etc.</p> <p>Compliance risks: Risks arising in the supply chain due to non-compliance with legal regulations related to human rights (such as the prohibition of child labor and forced labor), conflict minerals (Tin, Tungsten, Tantalum, Gold (3TG)), ethical and environmental issues</p>	High	Short-medium
Potential impact of the risk	<ul style="list-style-type: none"> • Potential disruptions in the supply chain and inability to procure timely/critical products from suppliers, resulting in an impact on operations and production • Negative impact on Vestel Beyaz Eşya’s reputation due to possible human rights, environmental and ethical violations in operations and the value chain • Fines imposed on suppliers for non-compliance with legal regulations 		
Risk prevention/mitigation activities	<ul style="list-style-type: none"> • Vestel Beyaz Eşya conducts alternative material studies for the materials it procures and cooperates with more than one supplier. • The Vestel Supplier Monitoring and Development Program is implemented to identify and improve the ESG performance of suppliers. • In cases where the risk increases in the short term, the focus is on faster procurement strategies. • In cases of sudden shock, supplies are diverted to alternative uses. Safety stocks approach is adopted in case of uncertainties that may arise in the supply of goods. 		
Opportunities	<ul style="list-style-type: none"> • Increased ESG performance and competitiveness in the sector by adopting responsible and sustainable procurement principles in the Vestel Beyaz Eşya supply chain • An effective supply chain management contributing to Vestel Beyaz Eşya’s financial performance • Good relations with suppliers and effective management enhancing Vestel Beyaz Eşya’s reputation and facilitating the establishment of new business relationships 		

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Climate Risks

As per the World Economic Forum (WEF) Global Risks Report 2024, extreme weather conditions and critical changes in nature are among the most threatening risks in the 10-year period. Climate risks increase vulnerability to catastrophic climate change-induced disasters and changing weather patterns. Based on studies conducted by the Intergovernmental Panel on Climate Change (IPCC), the impact of climate change on humans and ecosystems is much more extensive and severe than expected. Moreover, these impacts are **expected to increase** even more as temperatures rise. (3)

Published with the aim of mandating companies to disclose climate-related risks and opportunities to all stakeholders, the International Financial Reporting Standards (IFRS) S2 Climate-Related Disclosures Standard requires companies to disclose their risks and opportunities in the context of transition and physical risks. In this regard, Vestel Beyaz Eşya's climate-related risks have been identified as follows.

Term	Time period
Short term	0-3 years
Medium term	3-10 years
Long term	10-20 years

Transition Risks

Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Vestel Beyaz Eşya's Response
Policy Risk	Several regulations and policies are quickly being introduced with the aim of limiting activities that contribute to climate change and/or to promote adaptation to climate change.	<ul style="list-style-type: none"> New rules introduced by the EU, such as eco-design frameworks for household appliances such as washing machines and refrigerators and the Sustainable Products Regulation, require reducing the environmental impact of products within the scope of energy efficiency and making products energy efficient. Within this framework, Vestel Beyaz Eşya, which exports nearly 70% of its products to European countries, is at risk of losing market share or facing fines in the event of a failure to comply with regulations. 	Medium	Short-Medium	<ul style="list-style-type: none"> In line with its Science Based Targets initiative (SBTi) commitment, Vestel Beyaz Eşya is also committed to reducing product emissions, which constitute the highest portion of Scope 3 emissions. Vestel Beyaz Eşya designs products in the highest energy efficiency class, and offers resource-efficient and user-friendly refrigerators, washing machines, dryers, dishwashers, cookers and air conditioners to the market using the technologies it has developed. Vestel Beyaz Eşya designs its products to align with high energy efficiency classes. <p>More information is available in the Accessible and Smart Solutions that Make Life Easier section of the report.</p>

(3) (2023) 10 Big Findings from the 2023 IPCC Report on Climate Change, World Resources Institute

Transition Risks					
Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Vestel Beyaz Eşya's Response
Legal Risk	Tightening legal regulations or the introduction of new regulations on climate change pose legal risks. Failure to meet commitments and targets related to combating climate change can lead to penalties, sanctions, and lawsuits.	<ul style="list-style-type: none"> Climate-related legal risks stem from factors such as changes or tightening of environmental regulations and the introduction of new legal regulations such as carbon taxes or emission quotas. Such risks can increase production costs for companies and lead to negative impacts such as penalties, loss of reputation, and business continuity issues. In addition, Vestel Beyaz Eşya may also face financial and reputational damages in the event of lawsuits by consumers or other stakeholders for making false climate change statements and causing climate change. 	Low	Medium	<ul style="list-style-type: none"> Vestel Beyaz Eşya continuously monitors regulations and allocates necessary resources to swiftly comply with not only national legislation but also EU regulations and international legal frameworks to mitigate potential impacts. In this regard, Vestel takes measures across a wide range of areas, from product design to production processes, waste management, and energy efficiency.
Market Risk	Changes in consumer behavior and shifts in supply and demand for certain goods, products, and services create risks in market share and competition. In addition, factors such as imbalances in supply and demand related to climate-related risks in procurement processes and raw material sources, as well as disruptions in the supply chain, also affect the market.	<ul style="list-style-type: none"> The decarbonization initiatives, especially in sectors with high emission intensity such as aluminum and iron-steel, and the introduction of financial obligations that will arise from the CBAM (Carbon Border Adjustment Mechanism) by 2026 pose a financial risk as they may lead to an increase in Vestel Beyaz Eşya's input costs. Alongside this, there is a growing trend towards low-carbon and environmentally-friendly products in line with new consumer preferences. There is a risk of losing market share for Vestel Beyaz Eşya if it falls behind these trends. 	Medium	Medium	<ul style="list-style-type: none"> Vestel Beyaz Eşya prioritizes reducing environmental impact and making life easier for its customers with the products it produces by listening to consumer expectations within the framework of its focus area of "Accessible and Smart Solutions that Make Life Easier." The carbon emissions of inputs related to Iron-Steel, Aluminum are closely monitored and efforts are underway to develop programs to calculate the carbon footprint of products and monitor indirect emissions in order to comply with the CBAM scope that will expand in the future.

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Transition Risks					
Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Vestel Beyaz Eşya's Response
Technology Risk	Among the most important tools in transitioning to a low-carbon and energy-efficient economic model are technological advancements. Competitiveness, production and distribution costs, and demand for products and services from end-users are shaped by technological advancements.	<ul style="list-style-type: none"> As a technology company, R&D and innovation are critical for Vestel Beyaz Eşya in terms of both developing new products and transforming operations. Moreover, inadequate energy and resource efficient product technologies or production efficiency technologies can increase operational costs and lead to market loss. 	Medium	Medium	<ul style="list-style-type: none"> Vestel Beyaz Eşya benefits from the power of Industry 4.0 and automation and considers them as among its focus areas. Through innovative products, it supports the reduction of energy consumption and resource efficiency. Through Vestel Ventures, the Company contributes to studies on innovative devices, advanced materials, smart urbanism, smart homes, and smart plants.
Reputation Risk	Reputation Risk includes the impact on stakeholders and company image caused by the insufficient contribution made by companies to the transition to a low-carbon economy and/or the failure of climate targets.	<ul style="list-style-type: none"> Vestel Beyaz Eşya's failure to achieve its climate change-related targets and its inability to adapt to global and sectoral developments may lead to a negative impact on its reputation and loss of market share. 	Low	Medium-Long	<ul style="list-style-type: none"> In connection with climate risk, Vestel Beyaz Eşya continues to work on numerous R&D and innovation projects that will reduce carbon emissions. Vestel Beyaz Eşya aims to achieve net zero emissions by 2050. In addition, Vestel is working on a decarbonization plan as part of its Science Based Targets initiative (SBTi) commitment. <p>Detailed information is available in the Net Zero Company section of the report.</p>

Physical Risks					
Main Risk Factor	Definition of the Risk	Description of the Impact	Impact	Term	Vestel Beyaz Eşya's Response
Chronic Physical					
Water Stress	Water risk includes insufficient water resources, drought or problems with water quality in the region where the company operates.	According to the World Resources Institute Aqueduct Water Risk Atlas , Vestel City has a high water risk due to its location. Any problems related to water access at Vestel City, which has been chosen as one of the largest factories in Europe, may lead to interruptions in operations, especially in the dyeing operations due to water shortages. However, costs may increase during periods of high water stress.	Low	Medium	<ul style="list-style-type: none"> • Vestel Beyaz Eşya implements rainwater collection and wastewater recycling projects. • Working towards purchasing recycled water from the advanced water treatment plant in the Manisa Organized Industrial Zone, Vestel Beyaz Eşya conducts periodic water quality analyses.
Acute Physical					
Extreme Weather Temperatures	With the climate crisis, temperatures are rising steadily. Extreme weather conditions severely affect both man-made and natural systems.	<ul style="list-style-type: none"> • Extreme temperatures may cause damage to production facilities, storage areas and transportation processes. Sensitive equipment that is used in the manufacturing of electronic products may perform poorly or malfunction when exposed to high temperatures. Malfunctions and breakdowns in Vestel Beyaz Eşya products may adversely affect the brand reputation and result in additional financial burden. • Costs of cooling may increase due to the heat waves. 	Medium	Medium	<ul style="list-style-type: none"> • Vestel Beyaz Eşya systematically tests each product in its product portfolio in terms of the highest and lowest heat levels to which it can be exposed. • Vestel Beyaz Eşya carries out R&D activities to ensure that the product designs are more suitable for the current weather conditions. During high temperatures, the Company carries out activities to mitigate risks such as reduced performance, breakdown and malfunctioning of products.
Floods, Wildfires, Extreme Weather Conditions	Extreme weather conditions such as wildfires, floods, tornadoes and hailstorms are expected to be more frequent due to global climate change.	<ul style="list-style-type: none"> • Fires that may break out in the forests and electricity transmission lines close to Vestel Beyaz Eşya due to extreme temperatures may cause production to stop and result in financial losses. • Disruptions in operations due to production facilities being damaged by floods or wildfires, interruptions in supply and logistics processes when purchasing, logistics, and dealer operations are affected by extreme weather events, increased insurance costs, and delays in delivering products to customers can create additional financial burdens as a result of extreme weather events. 	Low	Medium-Long	<ul style="list-style-type: none"> • Detailed measures to be taken for any possible natural emergencies are included in the Emergency Action Plan. The plan includes what needs to be done before and after an emergency. Actions such as regular cleaning of roof gutters, installation of new rain manholes, regular cleaning of manholes are carried out to avoid the adverse effects of extreme rain conditions.

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Vestel Beyaz Eşya Climate Opportunities

While climate change poses significant risks, it also presents significant opportunities for companies that are able to adapt accordingly. Sustainability-oriented business models provide a competitive advantage and create new markets for companies. These opportunities also have the potential to deliver more efficient and innovative products and services, reduce costs and promote long-term sustainable growth. Therefore, Vestel Beyaz Eşya is assessing climate opportunities in addition to the risks associated with climate change.

Opportunities	Description of Opportunity	Vestel Beyaz Eşya's Actions
Energy Source	Renewable energy sources, which play a critical role in emission reduction strategies, reduce energy costs in the long term and increase the company's resilience against global energy crises.	<ul style="list-style-type: none"> Vestel Beyaz Eşya invests in renewable energy as part of its strategy to reach the 2050 net zero target. In this regard, the Company has been working to purchase or generate renewable energy.
Products and Services	As consumer preferences shift towards low and/or zero-emission products, investing in this area provides companies with market and revenue growth.	<ul style="list-style-type: none"> Vestel Beyaz Eşya also invests in the development of new products and services that mitigate and adapt to climate change, including air conditioning solutions, renewable energy solutions, and energy- and water-efficient products.
Resilient Supply Chain	Increased focus on sustainability principles and high performance in this field attracts the attention of customers and investors, improves brand reputation and provides competitive advantage. Additionally, a resilient supply chain enables companies to mitigate risks and become more durable in times of crisis.	<ul style="list-style-type: none"> By supporting suppliers to make investments to mitigate climate change risks, we build resilience against possible business interruptions and price/supply fluctuations along the supply chain. We aim to reduce carbon costs by providing a competitive advantage in terms of performance regarding climate change.

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EVALUATION FOR 2023

Vestel Beyaz Eşya maintained a performance in line with the sector in the European market in 2023, particularly increasing its business volume with A-brand customers.



Demand in Europe, Vestel Beyaz Eşya's primary export market, continued to remain under pressure in 2023. Based on GfK data covering 24 European countries (EU24), the European household appliances market contracted by 7% in 2023, following an 8% decline in 2022, due to the ongoing high interest rate environment, increased cost of living and geopolitical uncertainties. Among the EU5 countries, Germany and France experienced the largest contractions at 8% and 6%, respectively, while Spain and Italy showed limited declines of around 1%. Vestel Beyaz Eşya managed to maintain a performance in line with the sector in the European market in 2023, particularly increasing its business volume with A-brand customers.

As part of its market diversification and sustainable growth strategy, Vestel Beyaz Eşya continued to develop and introduce products suitable for non-European markets in 2023, achieving significant growth particularly in Africa and North America. However, the growth rate in these regions slowed notably compared to 2023 due to adverse macroeconomic and geopolitical developments in some key markets, coupled with a high base effect from 2022.

According to data from the White Goods Manufacturers' Association of Türkiye (TURKBESD), exports of the Turkish white goods sector declined by 10% yoy to 23.2 million units in 2023, reflecting reduced demand in international markets. In 2023, Vestel Beyaz Eşya continued to increase its share in Türkiye's total white goods exports, driven by its performance in the European market and its focused strategy on non-European markets.



Despite the contraction in international markets, Turkey's domestic white goods market showed robust growth throughout 2023, despite challenges such as the earthquake disaster in February, elections, tightened monetary policy, and high inflation. This growth was mainly driven by consumers bringing their demand forward. According to data from the White Goods Manufacturers' Association of Türkiye covering six main product categories, domestic wholesale white goods sales grew by 14% in 2023. According to GfK, retail sales also grew by 18% during the year. Vestel Beyaz Eşya's domestic white goods sales increased in line with the market in 2023.

In 2023, the share of smart and IoT-enabled products in total sales continued to grow. Additionally, throughout the year, features such as the "Cold Hygiene Program" providing hygiene at low temperatures in washing machines to save energy, the Multi-Inverter+ technology offering the highest energy efficiency in the market with A+++ -20% energy class for dryers, products using bio-based materials instead of plastic, recyclable packaging materials, the solo dishwasher product family consuming 10% less energy than Class A due to SelfHeating technology using recycled energy, and the Auto Clean Filter technology providing automatic filter cleaning after each use, thus offering a user-friendly product range, were introduced to the market.

Vestel Beyaz Eşya continues to enhance its sales not only in the entry and mid-range segments but also in the premium segment by leveraging competitive products and new technologies, aiming to create new segments for its customers. The Company dedicates a significant portion of its R&D efforts to developing technologies and products that achieve the highest levels of energy and water efficiency, continuously revising its energy efficiency goals.

In response to the increasing importance of plastic waste on the environment and human health, Vestel Beyaz Eşya has started using bioplastic materials and recyclable components in its products and packaging. These materials are designed to degrade more easily in nature and leave behind fewer toxic residues. Vestel Beyaz Eşya plans to further increase the use of bioplastics and recyclable components in its products in 2024.

As part of the capacity expansion program initiated in 2021, Vestel Beyaz Eşya completed the construction of a new dishwasher factory and the installation of production lines in 2023. All production lines in the factory, including those transferred from the old facility, have been commissioned as of April 1, 2024. As a result, the first stage investments under the capacity expansion program have been completed and Vestel Beyaz Eşya's total production capacity has increased by 29% compared to the end of 2020. Only the first phase of the planned investments was completed due to adverse macroeconomic and geopolitical developments in key markets and constraints in the global supply chain during the investment period. The evaluation process for the second phase investments is currently ongoing.

A total EUR 131 million of investment has been made under the capacity expansion program. Vestel Beyaz Eşya benefited from investment incentives such as tax breaks, customs duty exemption, and VAT exemption for this investment.

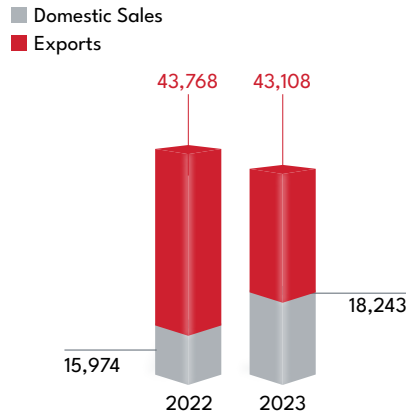
Vestel Beyaz Eşya will continue develop new projects tailored to Asian, African, and American markets in 2024 as part of its goal to expand its footprint in these regions. The Company aims to sustain its strong and sustainable growth in non-European regions by developing projects for both its own brands and its customers.

FINANCIAL PERFORMANCE

Vestel Beyaz Eşya increased its gross profit by 72% year-on-year to TL 9,975 million.

Vestel Beyaz Eşya realized 49% of its total sales to European countries, 30% to domestic market and 21% to other countries.

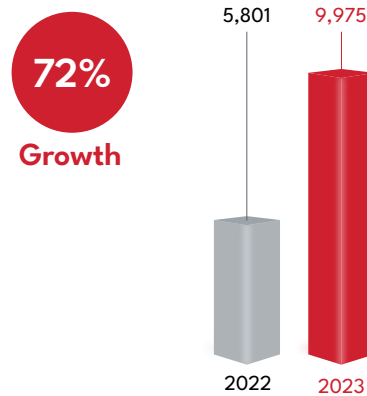
Gross Sales Revenues (TL million)



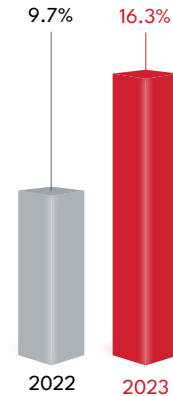
In 2023, gross sales revenues amounted to TL 61 billion, with TL 43 billion (70%) coming from international sales. 49% of total sales were made to European countries, 30% to the domestic market, and 21% to other countries.

Net sales revenues grew by 2.5% yoy in real terms.

Gross Profit (TL million)

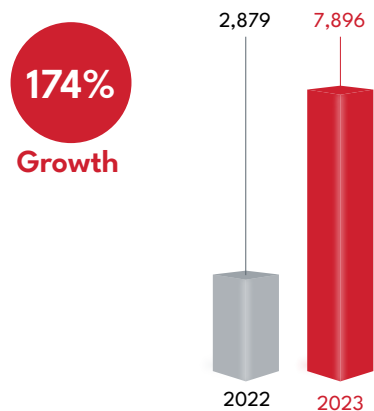


Gross Profit Margin (%)



Gross profit margin increased from 9.7% to 16.3% driven by lower raw material costs, the positive impact of FX rates, and strong growth in domestic sales.

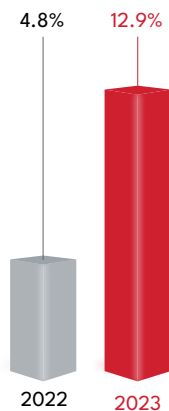
EBITDA (TL million)*



*Excludes other income and expenses from operating activities

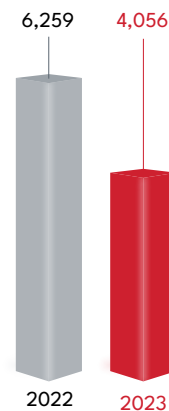
EBITDA increased by 174% in real terms to TL 7.9 billion, while EBITDA margin was 12.9%.

EBITDA Margin* (%)



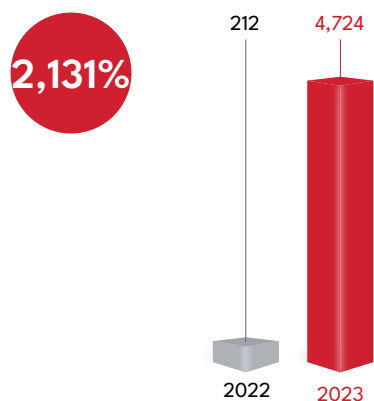
*Excludes other income and expenses from operating activities

Capital Expenditures (TL million)



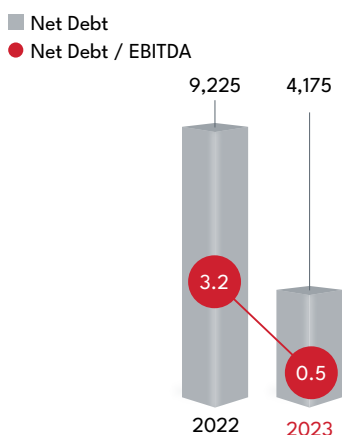
Capital expenditures are composed of building investments (41%), machinery and equipment purchases (25%), mold investments (19%), research and development activities (11%), and other investments (4%).

Net Profit (TL million)



Net profit amounted to TL 4.7 billion with a net profit margin of 7.7%.

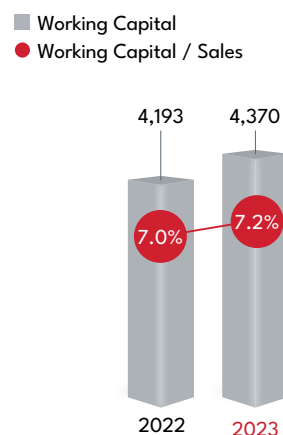
Net Debt (TL million) and Net Debt/EBITDA* (%)



*Excludes other income and expenses from operating activities

Net Debt/EBITDA ratio stood at 0.5x in 2023.

Net Working Capital (TL million) and Net Working Capital/Sales (%)



FINANCIAL PERFORMANCE

Vestel Beyaz Eşya generated 170 MWh of energy in 2023 with the solar panel installed on the roof of the facility that distributes energy to the refrigerator and washing machine factories.

Key Points

1. Export-Driven Growth

International sales account for 75-80% of total sales revenues. While the majority of the sales is directed to Western Europe, strong growth, especially in African, Asian, and American markets, continues.

2. Risk Balancing

An active hedging strategy, which includes balance sheet, cash flow and strategic risk balancing, and a high share of foreign currency denominated export revenues, protect the Company against currency fluctuations.

3. Solar Panel Installation on Plant Roofs

Vestel Beyaz Eşya makes a contribution to combating the climate crisis through renewable energy generation and energy efficiency investments to transition to a zero-carbon economy. In line with the investments carried out, the Company plans to reach an annual electricity generation of 11,882 MWh with 8,200 kWp of solar panels and accordingly reduce its carbon emissions by 5,430 tons. This investment is planned to be realized in 2024. Vestel Beyaz Eşya generated 170 MWh of energy in 2023 with the solar panel installed on the roof of the facility that distributes energy to the refrigerator and washing machine factories.

Working Capital and Cash Management

Effective working capital management is crucial for minimizing the necessary financing while expanding a company's business volume. In capital management, Vestel Beyaz Eşya aims to ensure the continuity of its operations while efficiently maintaining the debt-equity balance to enhance profitability.

Vestel Beyaz Eşya attached great importance to cash management in 2023, a difficult year after the pandemic. The Company increased its raw material and component procurements from Asia which resulted in an increase in the Company's average payment terms. In 2023, Vestel Beyaz Eşya's net working capital/net sales ratio was realized as 7.2%.

Cash management consists of processes such as controlling, planning and optimizing the cash flow of an enterprise. These processes are implemented to safeguard liquidity, maintain financial health, and enhance operational efficiency of businesses. The objectives of cash management include:

- Ensuring the right amount of cash is available at the right time and place,
- Making payments timely and efficiently,
- Optimizing available liquidity,
- Aligning the timing of cash inflows and outflows,
- Minimizing borrowing and borrowing costs,
- Reducing transaction costs,
- Identifying and revising any deviations between planned and actual cash flows,
- Forecasting cash flows,
- Reporting annual cash program and end-of-day liquidity to management on a daily basis.

Vestel Beyaz Eşya aims to keep its working capital needs at an optimal level with solutions that will benefit all stakeholders in the supply chain in terms of financial management. In this context, by creating alternatives in supplier financing and receivables discounting, the Company contributes to sustainable financing by providing new sources of financing for the Company and access to affordable financing for suppliers.

Trade Finance Practices

Vestel Beyaz Eşya aims to preserve its suppliers' cash flow by offering supplier financing programs through various banks. These programs provide flexible financial methods and emergency cash flow to companies. In its simplest form, approved invoices from buyers enable suppliers to obtain financing competitively and without collateral, without the need for a credit process. Vestel Beyaz Eşya's payment performance also serves as a financial guarantee for its suppliers at all times.

At the same time, Vestel Beyaz Eşya aims to increase the diversity of corporate finance solutions used for financing both domestic and international trade receivables, and to facilitate working capital management through technological solutions. To achieve this, Vestel Beyaz Eşya is implementing system and process improvements and maintaining regular discussions with banks. Discussions with stakeholders and business partners regarding supplier finance systems aim to protect all stakeholders in the supply chain against fluctuations.



While working capital is financed at affordable costs through diversified financial products, proactive solutions are generated through continuous monitoring and reporting of the sub-items that constitute working capital needs.

Financial Risk Management

a. Currency Risk

Vestel Beyaz Eşya's main principle in managing foreign exchange rate risk arising from transactions in foreign currencies is to maintain the foreign exchange position at a level that will be least affected by fluctuations in the exchange rate, particularly at the net profit level. Exchange rate risk is minimized with forward foreign exchange contracts. In addition to derivative transactions, Vestel Beyaz Eşya continuously assesses balance sheet positions under natural hedge considerations and takes appropriate actions as needed.

Market conditions are constantly monitored, and cost planning is updated by adopting a proactive management approach based on expectations, and necessary actions are taken to address external source risks.

b. Interest Rate Risk

Interest rate risk arises due to borrowing at variable and fixed interest rates. This risk is managed by balancing the amounts and maturities of interest rate-sensitive assets and liabilities, using on-balance sheet methods or by using derivative instruments.

Within this framework, the main objective is to proactively monitor the potential impact of interest rate risk and keep borrowing costs at low levels.

c. Liquidity Risk

Actual and planned cash flows are regularly monitored to identify potential liquidity risks in advance and to develop solutions. The continuity of cash position is ensured by aligning the maturities of financial assets and liabilities.

FINANCIAL PERFORMANCE

Vestel Beyaz Eşya's market capitalization was TL 25,600 billion as of December 29, 2023.

VESTEL BEYAZ EŞYA SHARES

Dividend Distribution

As its Dividend Distribution Policy, Vestel Beyaz Eşya has adopted the practice of distributing at least 25% of its distributable profit in cash and/or in the form of bonus shares.

In 2023, the Company distributed 25% of its distributable profit to shareholders as cash dividends with a gross dividend yield of 2.2%.

Vestel Beyaz Eşya Shares

Shares of Vestel Beyaz Eşya have been traded on Borsa Istanbul ("BIST") under the ticker "VESBE" since 2006.

As of year-end 2023, Vestel Beyaz Eşya, which is traded on the Stars Market, is included in the BIST 100, BIST 500, BIST All, BIST Stars, BIST Dividend, BIST Participation Dividend, BIST Metal Goods, Machinery, BIST Industrials, BIST Sustainability, BIST 100-30, BIST Sustainability Participation,

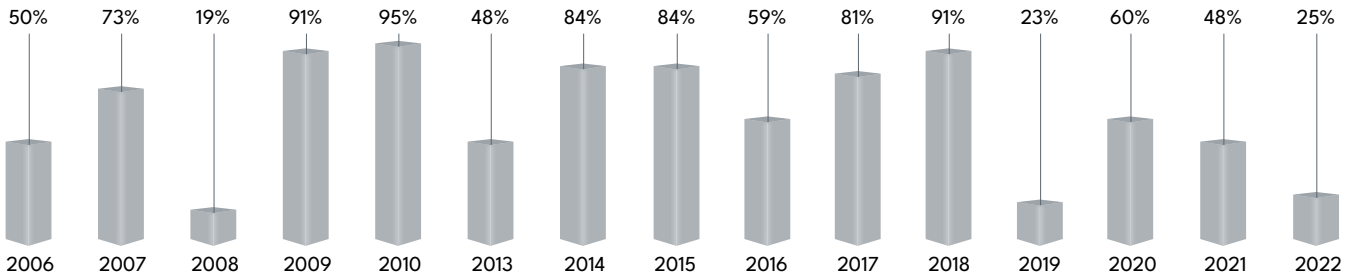
BIST Participation All, BIST Participation 100, BIST Participation 50, and BIST Manisa indices.

Since 2016, Vestel Beyaz Eşya has been voluntarily listed in the Borsa Istanbul (BIST) Sustainability Index which encompasses the shares of companies traded on the BIST with a high level of corporate sustainability performance.

Year*	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Issued Capital (TL)	190,000,000	190,000,000	190,000,000	190,000,000	190,000,000	190,000,000	190,000,000	190,000,000	1,600,000,000	1,600,000,000
Net Distributable Profit (TL)	51,302,674	125,158,202	156,367,884	307,447,389	295,234,000	622,561,000	568,072,000	1,331,308,000	1,445,085,804	1,400,460,858
Cash Dividend Distributed (TL)	24,809,266	104,824,701	130,877,465	180,000,000	240,000,000	566,828,182	128,766,200	800,000,000	698,308,859	352,827,815
Dividend Ratio	48.36%	83.75%	83.70%	58.55%	81.29%	91.05%	22.67%	60.09%	48.32%	25.19%
Gross Dividend Per Share with a Nominal Value of TL 1 (TL)	0.1306	0.5517	0.6888	0.9474	1.2632	2.9833	0.6777	4.2105	0.4364	0.2205

* The year in which the dividend is paid and the distributable profit is realized

Ratio of Dividends Distributed to Net Distributable Profit for the Period (%)



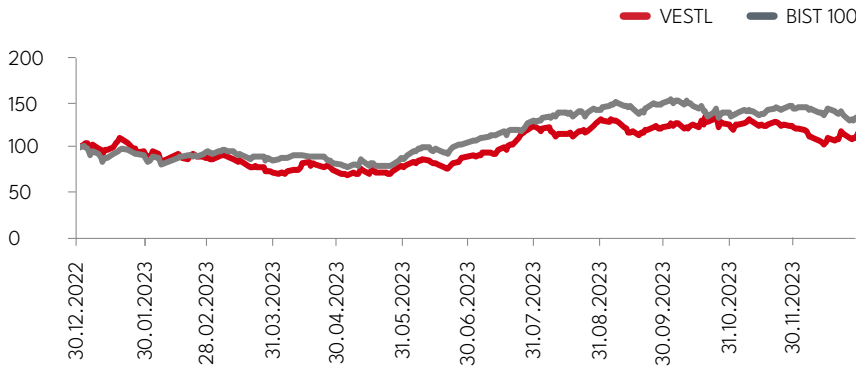
SUMMARY PRICE INFORMATION FOR 2023

Number of Shares	1,600,000,000
Number of Publicly Traded Shares	362,697,764
Highest Price During the Year (TL)	18.57
Lowest Price During the Year (TL)	9.68
Year End Price (TL)	16.00
Market Capitalization* (TL)	25,600

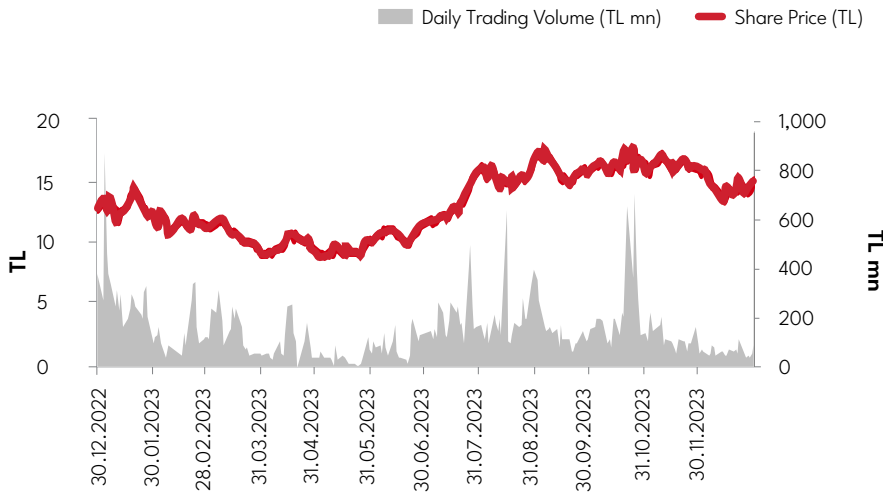
* As of December 29, 2023

VESTEL BEYAZ EŞYA SHARE PERFORMANCE AND RELATIVE PERFORMANCE

Vestel Beyaz Eşya - Relative Performance



Vestel Beyaz Eşya - Share Performance and Trading Volume



Vestel Beyaz Eşya has a market capitalization of TL 25.6 billion as of the end of 2023.

In 2023, Vestel Beyaz Eşya's share price increased by 18%, while the BIST 100 Index rose by 36%.

The average daily trading volume of the Company's shares was approximately TL 178 million.

Tax Practices

Vestel operates in compliance with the local and/or international tax and other fiscal legislation in the countries in which it operates. Within this framework, transactions involving the purchase and sale of goods and services between related parties within the Vestel Group of Companies are priced in accordance with the principle of comparability to benchmarks, and evidence of this commitment is provided through transfer pricing reports submitted to tax authorities in the respective countries of operation.

While conducting its operations, Vestel avoids shifting the transfer price of goods and services to low-tax jurisdictions for purposes such as profit transfer and tax planning. The Company does not consider tax haven jurisdictions in its commercial and investment decisions. Moreover, a significant portion of the Company's income consists of active income sources, and the Company refrains from engaging in practices that are economically, commercially, or technically inconsistent from a tax perspective during its operations.

Additionally, the balance sheet and income statement accounts used in tax reporting undergo analysis and verification according to the Unified Chart of Accounts rules and tax laws. This verification process is conducted by the Tax Audit Directorate within Zorlu Holding, and reports prepared based on the findings from these audits are shared with the Company executives and senior management.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

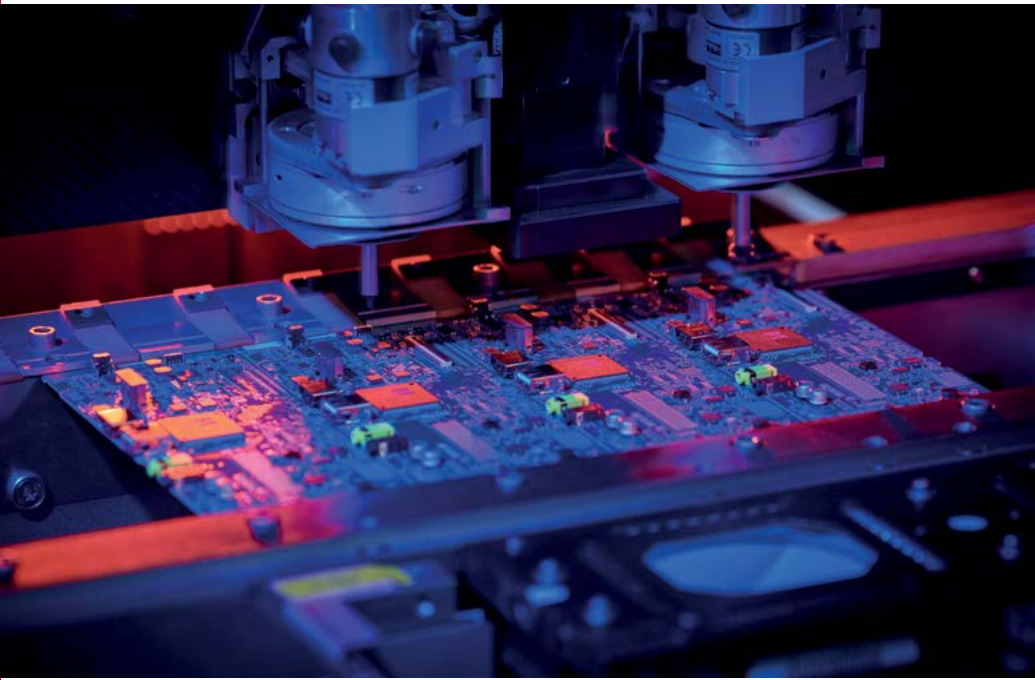
With global trends such as the climate crisis, talent shortage, digitalization and evolving consumer expectations, it is important for companies to adapt to these trends in order to maintain their competitive advantage. Vestel Beyaz Eşya prioritizes technology and human-oriented transformation by closely following global and local trends, technological developments and the work required by digital transformation.

Aiming to spread the culture of transformation brought about by technology and digitalization throughout the entire company, starting with employees, Vestel Beyaz Eşya adopts diversity, inclusiveness and social benefit as its fundamental principles not only in its own organization but throughout its value chain, and integrates technological innovations that add value to human life into its processes. Vestel Beyaz Eşya increases its share in the global market and strengthens its competitiveness with the impact of its transformation culture.

R&D team of
729 PEOPLE

86
Registered patents

TL **724.3** MILLION
Total R&D
expenditure



PRODUCTION AND INNOVATION POWER

As global trends and customer demands evolve, it is important to integrate innovative solutions into both product designs and production processes. In this regard, Vestel Beyaz Eşya transforms its operations in parallel with technological developments, digitalization and automation.

Within the scope of Industry 4.0, digitalization, and R&D activities, Vestel Beyaz Eşya responds faster to changing consumer behavior and designs more efficient and smarter manufacturing and product processes by reducing its environmental impact. It adapts certain technologies, such as artificial intelligence (AI), the Internet of Things (IoT), and autonomous systems to its plants at Vestel City in Manisa, which has an area of 1.3 million m², making it one of the largest facilities established on a single site in Europe. It continues to produce refrigerators, washing machines, tumble dryers, cooking appliances, dishwashers, air conditioners, and water heaters in a closed area of 509 thousand m². Vestel Beyaz Eşya is among the largest original design manufacturers (ODM) in Europe.

DIGITAL TRANSFORMATION

In line with its vision of being a technology company creating social and environmental benefits, Vestel Beyaz Eşya integrates digitalization into both its production processes and working culture, and the products and services it offers. Transformation and digitalization in production processes are implemented within the scope of Industry 4.0. Other efforts and ongoing investments include proactively managing cyber security risks to provide customers with a better product experience, manage supply chain processes more effectively and protect data privacy.

Digital Transformation Office strives to maintain coordination at all stages of the digital transformation journey, design data-driven and appropriate methods/ processes and promote them throughout the organization. Vestel Beyaz Eşya continues its activities with 66 projects, 20 different transformation processes and methods, 491 employees and 103 transformation ambassadors.

Monitoring of processes covering the supply chain is carried out through digital platforms created by Vestel Beyaz Eşya. Thanks to the designed Supplier Portal, an effective communication network is established with all suppliers involved in the processes and access to information is ensured. Financial processes such as payment, procurement, and accounting are also carried out securely through Vestel Beyaz Eşya's digital platforms.

Vestel AI

Vestel AI platform has been developed to optimize processes, facilitate communication, and increase efficiency in business units in the Company. Vestel AI chatbot, which provides quick access to corporate information using natural language processing technology, maximizes efficiency by integrating every unit in internal processes. This chatbot facilitates uninterrupted information exchange between departments, saving time and resources for employees. Vestel AI increases corporate efficiency by strengthening informed decision-making processes by providing real-time data and insights.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya carries out digital transformation projects in a fast and cost-effective manner with its robotic and autonomous systems equipped with advanced software, mechanical design, automation, simulation, maintenance, and investment infrastructure.



To ensure the best and most efficient production processes in six different plants, Vestel Beyaz Eşya invests in digital transformation by utilizing Industry 4.0 tools.

INDUSTRY 4.0 ACTIVITIES

To ensure the best and most efficient production processes in six different plants, Vestel Beyaz Eşya invests in digital transformation by utilizing Industry 4.0 tools. Vestel Beyaz Eşya carries out digital transformation projects in a fast and cost-effective manner with its expert and qualified staff and robotic and autonomous systems equipped with advanced software, mechanical design, automation, simulation, maintenance and investment infrastructure. This has enabled the company to design and manufacture its own production lines and machines, obtain patent rights for designed machines, and invest in production technology as well as product development.

Autonomous systems: Smart robotic systems supporting autonomous infrastructure are in operation in more than 150 production lines. Over 120 Automated Guided Vehicles (AGVs) have been integrated into production lines and material-product transfer processes across warehouses, providing a human-free, autonomous and remotely controlled structure. Rather than using conventional AGV technologies following routes defined by lines and metal strips, an autonomous logistics solution has been developed by utilizing in-house AGV technologies with natural navigation that can be guided remotely via a single traffic software. This solution, a first for the sector in Türkiye in terms of quantity and function, helps to reduce internal logistics costs and transportation-related damages, while increasing production efficiency and quality.

Automated warehouses: Due to accelerating and increasing production with Industry 4.0 investments, storage processes also need to be improved. In this regard, the Company invests in smart warehouse solutions such as the Automated Storage and Retrieval System (ASRS) and shuttles that can fulfill the requirements of both autonomy and capacity-speed. With the smart storage systems put into operation, stocking costs and errors are minimized and traceability in the storage process is increased.

Automated packaging systems: Packaging of the manufactured and assembled end product and attaching barcoded labels are carried out by automated systems. This system has been established to ensure packaging quality, which is of great importance in terms of brand quality and customer satisfaction. With this system, packaging processes such as screen printing, cardboard, packaging and labels are implemented in 100% control.

3D printing: Various simulated and designed manufacturing parts are prototyped with three-dimensional printers. Fast prototyping enables the commissioning of the systems to be completed in a short time, thereby reducing the risk of unforeseen malfunctions, errors and possible production shutdowns.



Vestel Beyaz Eşya aims to achieve full integration both horizontally and vertically within a few years.

Virtual and augmented reality: Through research in the virtual and augmented reality domain, it is aimed to improve production standards, accelerate operator training and increase quality standards. By documenting the usage data of all machines used in production and making use of virtual reality technologies, new employees are provided with the necessary information, their mistakes are avoided and the quality of training is improved.

AI-supported image processing: AI-supported software applications are used throughout factories in automation systems and assembly lines. Vestel Beyaz Eşya also develops AI-based algorithms for path finding, mapping and traffic software for automated guided vehicles. Additionally, artificial intelligence algorithms integrated into two- and three-dimensional cameras and sensor technologies are used for specific measurements and detections of products, and ergonomic measurement systems that are crucial for occupational health and safety are continuously being developed.

Machine-to-machine communication:

In the context of real-time monitoring of machine data, screens and mobile devices are used in the cloud environment, and AI-supported systems are utilized to manage all factory machines. Vestel Beyaz Eşya aims to achieve full integration both horizontally and vertically within a few years. In line with this target, it is planned to establish an infrastructure that will facilitate communication between machines and robots, and to integrate the entire internal ecosystem with subcontractors. This way, it is aimed to digitalize quality and monitoring systems and to obtain production reports with an accuracy of 99.9%.

Next-generation batteries: Non-flammable, lightweight, and high-capacity lithium iron phosphate batteries are used in electric vehicles utilized in internal logistics processes for occupational health and safety. This ensures a faster, safer and human error-free logistics process and the necessary infrastructure is created for the transition to a fully autonomous structure.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya ranks among the top five manufacturers in the household appliances sector in Europe and the top three in Türkiye thanks to its innovative products that make a difference.

Vestel Beyaz Eşya continues to produce end-to-end digital solutions in customer experience.

DIGITAL TRANSFORMATION IN CUSTOMER EXPERIENCE

Vestel Beyaz Eşya continues to produce end-to-end digital solutions in customer experience. Data science is utilized in after-sales services to improve customer experience and in the management of dealer processes. New functions and solutions have been added to the website “Çözümü Var,” offering customers a digital experience with new solutions such as the ability to conduct transactions, manage smart products with the Evin Akı application and Vestel Digital Assistant. Furthermore, feedback from users on their experience is collected digitally from all contact points and actions to enhance the experience are developed.

Vestel Digital Assistant was launched as a new communication channel project that complements Vestel Beyaz Eşya’s digital ecosystem in all interactions before, during and after sales, providing convenience and speed in service, making customer communication dynamic, and providing instant and accurate guidance to customer requests with the goal of providing solutions at the first contact.

Traffic Tracking in Stores: Store traffic is monitored through devices located at the entrance of Vestel stores. This data is analyzed by keeping the data of busy hours of the day and busy days of the week through customer traffic measurement. In this way, common trends are identified and store traffic is increased, while services are developed in line with customers’ preferences and perceptions by gaining insights into consumer behavior within the scope of the Personal Data Protection Law (PDPL).

Digital Labels: With digital labels that enable price information to be automatically changed on the product, employee workload is reduced and customers are given the most accurate prices and campaigns. Infrastructure activities continue to ensure that digital labels, which contribute to omni-channel transformation by allowing physical and online stores to update their prices at the same time, will be available at all corporate stores in 2024.

Veslink: Authorized service centers can quickly resolve software-related issues in products by uploading the necessary software to their electronic boards using Veslink software installation devices, without the need for spare parts. Thanks to Veslink operations launched with the vision of offering technology-oriented solutions, Vestel improves its performance in providing solutions in the first contact, reducing stock costs and increasing customer satisfaction. By updating the software, 6,640 electronic board replacements are prevented annually.

Voice Bot and Video Call Support: Feasibility studies for the Voice Bot and Video Remote Assistance applications are being conducted, and their use is planned to commence in the upcoming period. Thanks to the application, customer requests will be resolved without waiting through voice bot technology, and video call support will enable a better understanding of customer requests and facilitate remote resolution.

Remote Heat Measurement (Thermonline): Under the Thermonline project, remote online temperature measurement is offered for defective products requiring temperature measurement and workshop operations to eliminate the delivery of products to workshops and the problem is directly solved by using necessary spare parts aimed at eliminating problems.



R&D AND INNOVATION

The Company derives its innovation power from the efforts carried out at its R&D centers and its R&D team consisting of 729 people. R&D teams continue to work on the development or application of new technologies, new product designs, product development, productivity improvement and cost reduction.

Training activities for R&D teams are organized in order to help them adapt to contemporary requirements and enhance their competencies. Thanks to the organized training activities, the company continuously adapts to technological developments, maintains its competitive advantage, and adopts an innovation-oriented approach. Vestel Beyaz Eşya ranks among the top five manufacturers in the household appliances sector in

Europe and the top three in Türkiye thanks to its innovative products that make a difference. In addition, it exports to more than 160 countries, accounting for approximately 40% of Türkiye's household appliances exports.

In 2023, Vestel Beyaz Eşya applied for 133 patents, 86 of which were registered, while the number of patents from which it generated commercial revenues reached 118.

As a result of innovation studies in processes, the Company achieved a savings of TL 329.7 million.

An R&D and innovation budget of approximately TL 200 million has been spent to develop low-carbon products and services

COLLABORATIONS AND OPEN INNOVATION

Vestel Beyaz Eşya carries out R&D collaborations and open innovation activities in line with the advantages of open innovation such as competitive advantage, low R&D costs, and the ability to discover different ideas by coming together with experts within and outside the company.

University Collaborations

Meetings are held with faculty members at universities, who are important stakeholders in collaborations. To provide solutions to Vestel Beyaz Eşya projects, these projects are included in thesis research with students under the supervision of faculty members and many R&D Center projects are carried out as graduation theses. In 2023, a total of 15 projects selected at Izmir Institute of Technology (IYTE), Ege University, Celal Bayar University and Dokuz Eylül University were carried out as graduation theses.

These projects are carried out with the participation of faculty members and several industry stakeholders, and are also featured in congresses, conferences and symposiums. These activities bring a different perspective to the projects, increase collaborations and interactions, and allow us to observe both in-sector and out-of-sector activities. Outputs of papers and articles are presented in different platforms and journals where many scientists, academicians and industry participants are present, and the interactions are increased each year to improve the academic aspect of the employees and the company with feedback. Within the framework of such collaborations, which bring Vestel Beyaz Eşya R&D Department and academics together, the aim is to convey Vestel's expertise in technology, innovation, digital transformation and Industry 4.0 to university students, as well as workshops on the localization of imported products in the sector.

	2022	2023
Number of employees in R&D departments	719	729
Total R&D expenditure (TL thousand)	448,296	724,272
Ratio of R&D expenditure to turnover	0.75%	1.19%

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

In addition to collaborations with universities, Vestel Beyaz Eşya also carries out various activities with other stakeholders on international platforms.

Other collaborations with universities are as follows:

- A protocol was signed with Dokuz Eylül University Science and Technology Application and Research Center for the Sustainable Production of Consumables in the White Goods and Home Electronics Sector and potential joint projects are being discussed.
- As part of the Co-Op (Cooperative Education Program) courses carried out with the Izmir Institute of Technology, Vestel Beyaz Eşya's undergraduate students also take part in R&D Center projects and activities. Eight students had the opportunity to work with Vestel Beyaz Eşya in 2023 as part of this program.
- As part of the Vestel - Ege University Business Seminar lectures aimed at final-year students of the Department of Business Administration at the Faculty of Economics and Administrative Sciences, theoretical knowledge and applications, including Vestel company culture, are shared with students by expert company employees serving as instructors. These seminars, which have been held continuously since 2018, consist of 13 lectures per year, transferring industry experience to 40 students in 2023.
- Vestel Beyaz Eşya participates in the annual USIMP (University-Industry Collaboration Centers Platform) event. At the same time, in order to develop and increase its activities in this field, the Company closely follows the relevant legislation, regulations, standards and organizations.
- Two TÜBİTAK 2244 projects under the Industrial Doctorate Program are in progress.

- Dokuz Eylül University Technology Transfer Office (DETTO), as part of the TÜBİTAK 1601 BIGG Implementing Institution Support Program for Capacity Building in Innovation and Entrepreneurship, continues to provide mentorship and support to entrepreneurs through innovative projects in collaboration with consortium partners from various sectors.

Other Collaborations

In addition to collaborations with universities, Vestel Beyaz Eşya also carries out various activities with other stakeholders on international platforms. Among these studies are projects carried out in consortia. Vestel Beyaz Eşya formed a consortium with many stakeholders on international platforms and applied for three projects.

The Company was accepted with the project "Biotechnological Anti Freezing Coating (BioAFC)" in the "M-ERA. NET Call 2020," aiming to coordinate national research strategies in the field of advanced material technologies and to increase competitiveness in this field. Thus, the project was entitled to receive support from the TÜBİTAK 1071 Support Program for Increasing the Capacity to Benefit from International Research Funds and Participation in International R&D Collaborations. Other project partners are Sabancı University Nanotechnology and Research Center, Kansai Altan Boya Sanayi ve Ticaret AŞ (Türkiye) and Kaunas University of Technology (Lithuania).

With this project, Vestel aims to eliminate the use of heating coil, reduce energy consumption and reduce material use thanks to the biotechnological anti freezing coating on refrigerator evaporators.

The project "E-health Services with Digital Biomarker Ecosystem" has been accepted for the EUREKA - Xecs 2021 call and studies are underway. In the Türkiye phase of the project, it is planned to develop a health monitoring platform where health data collected from smart devices will be integrated into a common platform and presented to both doctors and patients on a single screen.

In addition to projects carried out within consortia on international platforms, the aim of hosting learners from stakeholder companies as part of the "KA121-VET - Accredited projects for mobility of learners and staff in vocational education and training" is to enable these learners to observe and experience the working environments of their counterparts abroad, thereby enhancing their ways of conducting business. At the same time, the aim is to flexibly adapt the knowledge, expertise, and professional activities of institutions participating in the mobility program in member countries to Vestel Beyaz Eşya, and to ensure the development of technical staff.

Vestel Beyaz Eşya also carries out R&D projects with Vestel Ventures and Zorlu Tekstil companies within Zorlu Holding.

Intrapreneurship: A Bright Idea

As part of Zorlu Holding's Smart Life 2030 strategy, Vestel Beyaz Eşya also participates in A Bright Idea, an intrapreneurship program. Launched with the aim of developing an innovation culture and an intrapreneurship spirit within companies, generating permanent solutions for problems, combining these solutions with technology and developing their area of impact and access, the program supports the employees of Zorlu Group, who have "a bright idea" to bring their ideas into life by going through certain assessments and receiving funding from Zorlu Holding.

The teams that were entitled to receive investment established a start-up where Zorlu Holding was a partner by 25%. During the first phase of the investment planned to be completed in two phases, TL 500,000 was invested in each team. In addition, these start-ups can receive support from Zorlu Holding in areas such as law, accounting, human resources, finance and communication.

The startups stepping into the entrepreneurial journey by receiving investments from the two cycles of Parlak Bi'Fikir (A Bright Idea) were Abilitypool, Be Right Back, Conectohub, Geliver, and Ne Ekersen. Following the second cycle of the program, Selffix, which was chosen to continue its entrepreneurial journey as an internal project within Vestel, also continues to work on its activities.

ABILITYPOOL

Starting in 2020, Abilitypool, a digital platform that enables organizations to discover the different talents of their employees and conduct volunteering management more effectively, has been actively continuing its activities. Bringing employees or members of organizations together with non-governmental organizations in a single environment through the volunteering projects organized by employees or members of organizations, Abilitypool enhanced its social impact by adding many new organizations to its customer portfolio also in 2023. It also launched new products for donating to NGOs through its website and enabling NGOs to generate income through products purchased from the Kindness Store.

CONECTOHUB

Conectohub is an application that enables teams to work collaboratively in a goal-oriented manner and to carry out and track many different tasks at the same time. Having three different functions consisting of Project Management, Social Intranet and Internal Communication Application, Conectohub continued its activities in 2023 and contributed to the training of new entrepreneurs by providing mentoring support on various platforms.

BRB

The tech startup BeRightBack (BRB) aims to enable gamers who do not have sufficient hardware power to access the gaming PCs they need to play games with high quality configurations over the internet, while offering owners of powerful computers the possibility to generate income by sharing their computers.

GELIVER

Geliver, which developed a platform where SMEs and e-commerce sellers can dynamically view shipping prices, receive discounted prices from different shipping companies and optimize their processes, has expanded its team with the investment of Vestel Ventures and made its product fully ready. In addition to improving the product to integrate customers easily into the system, Geliver also managed to grow its turnover steadily, build high customer loyalty and increase the number of daily shipments in 2023.

NE EKERSEN

The initiative, which aims to render agriculture more efficient by enabling all stakeholders in the agricultural sector to access the services they will need from a single mobile platform, was awarded the best early-stage initiative award in the agricultural technologies category at the Pre Take Off event organized as part of Teknofest in 2023, and launched its mobile application and made it available to farmers.

SELFFIX

Selffix, which was entitled to continue its work as an internal project with the support of Zorlu Holding and Vestel executives, develops technologies that enable companies to offer augmented reality, artificial intelligence, real-time file sharing, and remote expert support to their customers. While extending the lifespan of electronic products with these services, Selffix, which improves efficiency, has been showcased at international fairs and events.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya is initiating compliance efforts across all its products, taking measures that go beyond the requirements of the regulations it has developed and used.

Vestel Privacy Policy covers all operations, including suppliers.

DATA SECURITY AND CYBER RISKS

While the digitalization of business processes, products and services offers opportunities such as efficiency and higher performance in the working environment, it also poses cyber risks. Cybersecurity management activities are overseen under the responsibility of Vestel's Information Technologies Director, who has 25 years of experience in information technologies and who reports to the CIO of Zorlu Holding. There are policies, procedures and systems in place for protecting the security and privacy of the data of both the Company and customers.

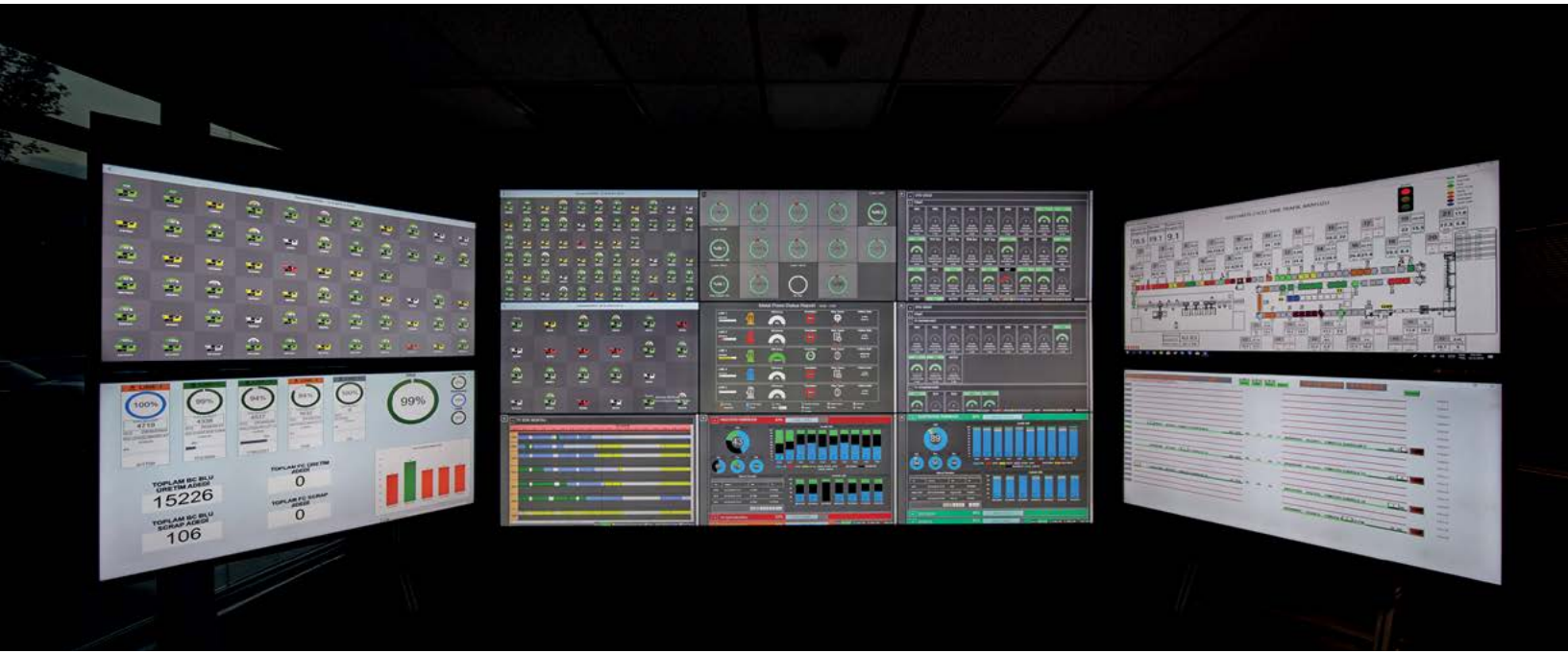
Vestel ensures the data privacy and security of its systems under ISO 27001 Information Security Management System. The Company created an Emergency Response Policy in accordance with the standards of the EU Cybersecurity Act and the National Institute of Standard and Technology (NIST). As per the Presidential Digital Transformation Office (CDDO) Information and Communication Security Audit Guide, all documentation is being submitted to the Digital Transformation Office with the opening of the BIGDES (Information and Communication Security Compliance and Audit Monitoring under the Presidential Digital Transformation Office) system, which is referred to in the Guide, in February 2023. The BIGDES system has already completed its preparation, compliance, and auditing obligations.

In 2023, the Company provided one hour of information security training to 845 employees each.

Privacy Policy: As per the Personal Data Protection Law (PDPL) No. 6698, Vestel takes all necessary technical and administrative measures to ensure the appropriate level of security in order to prevent unlawful processing of and illegal access to personal data, and to ensure the protection of personal data. The Company shares with the customers Vestel **Privacy Policy** and **Disclosure Text** indicating which data is processed for which purposes and their rights, and performs data processing processes with their explicit consent.

Vestel Privacy Policy covers all operations, including suppliers. Zorlu Holding Data Protection Department is responsible for privacy issues. In cases of the breach of confidentiality, the provisions of the Disciplinary Regulation apply to violators (for detailed information, the Ethical Principles is available [here](#)). Audits are performed to ensure compliance with the privacy policy. There were no cases of data breach in 2023. Accordingly, there is no data breach reported to the Personal Data Protection Board.

Measures taken against cyber risks in operations: External access to company systems is only permitted through SSL VPN (secure remote connection). Access to all systems is monitored and recorded. The Company uses Intrusion Prevention Systems (IPS) and Firewall, and responds quickly to any potential anomalies. Vestel tests and applies security patches released by manufacturers for systems.



Measures taken against cyber risks in products: Vestel continuously performs risk and threat analyses against security risks for each end-to-end component regarding the devices that can connect to the Internet and IoT solutions built on these devices. It designs technical measures and solutions for the risks identified according to these analyses. Many security regulations are being implemented, especially in Europe and the United Kingdom. Vestel Beyaz Eşya is initiating compliance efforts across all its products, taking measures that go beyond the requirements of these regulations. In this regard, Vestel ensures compliance with personal data protection laws, cybersecurity regulations, as well as regulations from the EU and the United Kingdom.

In addition, Vestel created security testing scenarios and testing infrastructure with testing groups in accordance with these analyses and related standards, especially ETSI 303645 Cyber Security Standards for consumer IoT. For each new product, it constantly performs these tests in the software or solution version, evaluates the results and adds measures depending on the designs.

In addition, security mechanisms are implemented to identify and prevent attacks in cloud-based solutions to which IoT devices are connected, ensuring continuous security monitoring. Likewise, measures against known attacks for IoT devices were added to the software of the devices.

Especially recently, security breaches across the world are caused by vulnerabilities in third-party software and libraries within the software. In order to prevent this phenomenon, vulnerability analyses on this software used in Vestel Beyaz Eşya solutions are performed together with testing groups. An online platform is being prepared where end-users and cybersecurity researchers can provide feedback.

The Company can remotely update the Wi-Fi card software of all Vestel Beyaz Eşya IoT devices in order to keep the security levels of devices in the field at the specified level, to update the third-party software installed thereon and to fix any potential vulnerabilities. In addition, it launched the certification process of products that can connect to the internet under the Common Criteria, the only cyber security certificate to represent the security level of products to customers, business partners and users.

Vestel Beyaz Eşya cares about the security of all IoT devices sold within the country, not just the IoT ecosystem. It is a member of the Turkish Cyber Security Cluster established under the Presidency of Defense Industries affiliated to the Presidency of the Republic of Türkiye and offers consultancy on IoT security under the relevant group. As part of this consultancy, the Company contributed to the creation of the National IoT Security Standards.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

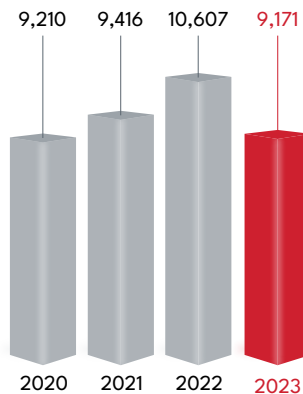
Vestel Beyaz Eşya continues to operate with the awareness that the value creation of its plants and products is only possible with competent, happy, and highly motivated employees.

EMPLOYEES

Human capital plays a key role in the Vestel Beyaz Eşya's value creation model. Believing that the investments it makes in human capital improve the technology it produces, the patents it obtains and its R&D strength, Vestel Beyaz Eşya continues to work with the awareness that it is only possible for its state-of-the-art plants and products to create value with the presence of competent, happy and highly motivated employees.

Acting with the focus of creating and developing the most ideal working environment to ensure the health, safety, rights and personal development of its employees, Vestel Beyaz Eşya develops human resources policies that facilitate the adaptation processes of its human resources, encourage their success and development, meet their expectations and needs with fairness and equal opportunity and contribute to the country's employment.

Total Number of Employees

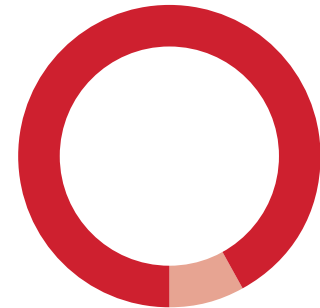


GENDER EQUALITY, HUMAN RIGHTS AND INCLUSION

Vestel Beyaz Eşya aims to increase the ratio of its female employees to 40% by 2030.

Active participation of women in corporate life has positive impacts on the productivity and financial performance of companies. In this respect, Vestel encourages efforts to ensure gender equality throughout the Company, including recruitment practices. Under the guidance of Zorlu Holding's An **Equal Life Gender Equality Manifesto** and being a signatory to the United **Nations Women's Empowerment Principles**, the Company assumes the responsibility to contribute to gender equality in society, in the household appliances sector, and among Vestel Beyaz Eşya's employees at all levels.

Employees by Category



Full Time Blue Collar 92%

Full Time White Collar 8%



Vestel established the Gender Equality Group within Vestel in order to develop volunteering projects that raise awareness with the motto “An Equal Life is Possible for All.”

Vestel established the Gender Equality Group within Vestel in order to develop volunteering projects that raise awareness with the motto “An Equal Life is Possible for All.” In this context, with the Mutlu Bi’Anne (A Happy Mother) Project, companies of Zorlu Holding Group, including Vestel Beyaz Eşya, which works to ensure that working mothers have more equal conditions in working life, published the **Domestic Violence Prevention Policy**.

Employees by Gender



Male 69%
Female 31%

In 2023, we received the Equal Opportunity Model certificate from the Women Entrepreneurs Association of Türkiye (KAGİDER). In 2023, 5,666 people received 2,912 hours of gender equality training.

In line with its gender equality approach, Vestel published “Eşit Bi’Hayat (An Equal Life) Dictionary” to serve as a guide to avoid sexist discourse patterns and idioms embedded in our language. It brought together alternative discourses that can be used from an equal and inclusive perspective in the dictionary, which is accessible to all stakeholders and can be accessed via the **Smart Life 2030 website**.

Launching the Female Technician Training Project within the Vestel Service Academy in 2019, Vestel provides technician training to customer representatives who work in authorized service centers and offers them the opportunity to work in after-sales technical support teams. As of the end of 2023, 43 of the 88 female technician candidates who successfully completed their practical technical training took active part in the field.

In 2023, 125 female and 319 male employees at Vestel Beyaz Eşya benefited from maternity and parental leave. 21% of female employees who took maternity and parental leave in 2023 went back to work and re-entered working life.

Share of Managers by Gender



Male 82%
Female 18%

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya strives to provide its employees with a decent, respectful, equitable, and fair working environment that guarantees human dignity.

Through the Equal Chance Project, Vestel Beyaz Eşya aims to remove the barriers that prevent people with disabilities from participating in working life.

WOMAN/MAN SALARY RATIO

Breakdown	Base Salary			Base Salary + Cash Incentives		
	2021	2022	2023	2021	2022	2023
Senior	-	-	75%	-	-	71%
Executive	94%	92%	81%	93%	91%	80%
Non-executive white collar	92%	97%	87%			
Non-executive blue collar	89%	87%	84%			
Non-executive total	90%	89%	83%			
All employees	83%	83%	78%			

* For base salary; total actual wages are taken as basis.

* For cash incentives; wage differential (net) is based on gross.

* Calculation: (Female wage average / Male wage average)*100

Average Salary Differences by Gender	2021	2022	2023
Average gender pay gap	22%	20%	24%
Median gender pay gap	18%	14%	15%
Average bonus difference	19%	18%	18%
Median bonus difference	4%	7%	7%

* Bonuses are based on gross wage difference (net).

* Calculations excluding bonuses are based on total gross wages.

* Calculation: $[1 - (\text{female wage average} / \text{male wage average})] * 100$

Integration of Employees with Disabilities

Through the Equal Chance Project, Vestel aims to remove the barriers that prevent people with disabilities from participating in working life. For this purpose, people with hearing and speech impairments are provided with training and supported to actively participate in business life. Under the project, which started in 2015, 203 people with disabilities were employed by Vestel Beyaz Eşya in cooperation with 17 deaf special education vocational high schools in Türkiye. The Company appointed sign language interpreters to respond to the needs of its employees with disabilities under this project.

Vestel employed a total of 20 people with mental disabilities including 10 at Vestel Elektronik and 10 at Vestel Beyaz Eşya since 2019 in order to integrate into working life the people with mental disabilities at the Sheltered Workplace for People With Mental Disabilities (Z.E.K.İ. Life Center) the first of which was established in Manisa Organized Industrial Zone in Türkiye and to offer social support to their families. In this context, the Company created sheltered and ergonomic working areas within the production areas of factories.



Human Rights

Zorlu Holding and all of its companies (Zorlu Group) undertake to conduct business and take actions in full compliance with Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, Declaration on Fundamental Principles and Rights at Work adopted by International Labor Organization and, as a signatory party, United Nations Global Compact. This commitment includes standing against all forms of discrimination, providing a safe working environment, not allowing child labor, and ensuring a working environment where employees can freely express themselves. The sustainability of the commitment is guaranteed by the “**Zorlu Holding Human Rights Policy**” and “**Zorlu Holding Ethical Principles**.”

Vestel Beyaz Eşya respects, protects and observes the human rights of its employees. Striving to provide a decent, respectful, egalitarian, fair and just working environment that guarantees human dignity, Vestel Beyaz Eşya is committed to full compliance with the Universal Declaration of Human Rights, the laws and standards set by the International Labor Organization (ILO) and the legal framework and legislation governing human rights and working life

in Türkiye. Moreover, as a signatory of the United Nations Global Compact (UNGC), the Company continues to work on the compliance with human rights.

At Vestel Beyaz Eşya, where discrimination is not tolerated in any of the human resources processes, starting with recruitment practices;

- People are not discriminated based on gender, age, religion, language, race, sect, social status, physical build, ethnicity, nationality, sexual orientation or any other personal feature.
- Employees are offered equal opportunities in line with their skills and experience.
- The policy of equal pay for equal work is applied in the remuneration system.
- Child labor, forced labor and human trafficking are not tolerated.

Vestel is working on developing an audit system to control compliance with human rights in the supply chain. Compliance with human rights in Vestel Beyaz Eşya’s own production facilities is audited under the Social Compliance Audits (BSCI, SEDEX, etc.) performed by its customers.

Vestel Beyaz Eşya plans to establish a Human Rights Committee to handle employee complaints and suggestions. This committee will convene every three

months and evaluate the complaints and suggestions submitted by employees in line with the human rights framework and work on the actions that can be taken.

You can access the detailed information on preventive and corrective practices for inequality, human rights violations, child labor and forced labor through the **Ethical Principles**.

Measures Against Discrimination and Harassment

Vestel Beyaz Eşya protects its employees’ personal rights without tolerating any form of physical, sexual and psychological harassment. Employees can make their notifications to the Ethical Principles Notification Line under the **Ethical Principles**. In case of any violation, Vestel investigates the case that is the subject of the complaint, manages the process in a transparent and fair manner and imposes necessary sanctions on the relevant persons. Vestel Beyaz Eşya’s policy on this issue is shared in the Ethical Principles and Workplace Regulation. There were no cases of discrimination or harassment identified at Vestel Beyaz Eşya in 2023.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya's priorities include finding the right talent to pioneer technology and digitalization, retaining talents, and ensuring their engagement with the Company.



One of Vestel Beyaz Eşya's strategies is to recruit suitable and new talents to the Company with the motto "Being where the talent is."

DEVELOPMENT OF EMPLOYEES AND TALENT MANAGEMENT

Talent gap or shortage is at the forefront of the problems that companies may face in the 21st century. As a company providing services in the fields of engineering and technology, Vestel Beyaz Eşya considers talent management as an important factor in the company's success and innovation capacity.

Attracting new and right talents to the Company with the motto "Being where the talent is" forms the basis of Vestel Beyaz Eşya's strategy. One of Vestel Beyaz Eşya's top priorities is to find the right talent to lead technology and digitalization, to retain existing talents, and to enable them to connect with the Company. Talent management processes at Vestel Beyaz Eşya are handled with a human resources analytics approach.

Performance Management

Vestel Beyaz Eşya's performance management system is carried out annually to evaluate and develop the workforce and to ensure that both the organization and the individuals who make up the organization progress towards their goals. All white-collar employees are integrated into the performance management system. Vestel Beyaz Eşya continues to monitor and support the development of its employees in terms of learning and development, working together, responsibility, innovation and creativity, which are Vestel's core competencies. Only by evaluating the competencies of its employees within the competency-based performance evaluation system and ranking the employees in the same organization relative to each other, the Company obtains their final performance.

Under the target and competency-based performance management system, targets are set at the beginning of the year based on measurable objective indicators, and interim targets and performances are monitored in the middle of the year. At the end of the year, absolute performance results are obtained for each employee by entering the values reached at the end of the year into the system and evaluating the competencies. The total number of employees participating in regular performance and career development evaluations at Vestel Beyaz Eşya reached 662 in 2023. Vestel Beyaz Eşya cares about maintaining its long-term cooperation by supporting the career planning of its employees with promotions and horizontal promotions. Regarding career management, the Promotion and



The training activities conducted at Vestel Beyaz Eşya with both internal and external trainers are designed with the goal of discovering and developing a workforce that thinks, researches, questions, creates, innovates, and produces.

Horizontal Promotion Regulations are published on the Company portal and made accessible to employees. Vestel Beyaz Eşya makes performance-based annual salary increases and the salary scale, which is updated every year after the salary increase period, is used in all career processes.

Rotation Practices

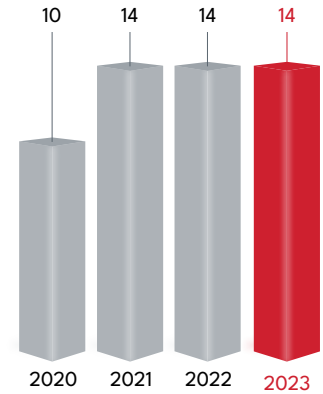
Through effective human resources management, Vestel Beyaz Eşya focuses on making innovative perspectives a part of the corporate culture. It periodically engages in succession planning and essentially covers its human resources needs through its in-house human capital. In 2018, rotation practice was initiated in order to diversify the knowledge, skills and experience of employees, to realize career planning by obtaining different tasks or company experience, and to increase company efficiency and employee motivation. Rotations among Vestel Group employees are considered as an important tool that strengthens inter-company communication and cooperation and leads to significant increases in the performance of employees and companies. In 2023, a total of 25 employees changed positions and departments.

TRAININGS

The training activities conducted at Vestel Beyaz Eşya with both internal and external trainers are designed with the goal of discovering and developing a workforce that thinks, researches, questions, creates, innovates, and produces. In our day, where the need for competent human resources is constantly increasing, Vestel implements its training investments for employees in terms of sections, departments and projects. The investment in development is not limited to Vestel Beyaz Eşya employees but also includes dealers and service employees.

In 2023, it offered an average of 14 hours of training per employee and 132,048 hours in total and allocated a training budget of TL 424 per employee. In 2023, we provided a total of 1,063 hours of training on “Environment” and “Zero Waste” to 6,190 employees under the heading of sustainability.

Average Training Hours per Employee



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

In 2023, 44 Vestel employees received 6,485 hours of training through the Vestel Technology Academy, which was launched with the vision of “bringing the university campus to the company.”

Employee Development Trainings

Vestel Technology Academy

Vestel Technology Academy provides training activities in line with the Company's vision and mission, which will contribute to Vestel's progress towards its targeted success. All employees within the Vestel Group of Companies are provided with technical and mandatory vocational training programs, as well as personal development and managerial competency training programs. By using hybrid learning methods, an agile education approach continues to contribute to the corporate culture.

Vestel Retail Academy

Vestel Retail Academy was established with the vision of training retailers who are well-equipped, improve their knowledge and shape the sector. The Academy offers trainings on “Sales-Marketing,” “Management Skills,” “Performance Development,” “Personal Development” and “Finance” for head office employees, corporate store employees and dealer business partners.

Vestel Service Academy

Vestel Service Academy has been operating within Vestel Customer Services since 2012 for the regular and continuous training and development of all service teams, such as authorized service provider technicians, customer representatives and service managers in order to provide a flawless experience in after-sales services.

Vestel Technology Academy

Developed in collaboration with Vestel Group of Companies and Özyeğin University, Vestel Technology Academy is a long-term postgraduate education program that aims to provide Vestel Beyaz Eşya employees with qualified training that will contribute to their lifelong development and to increase their technical knowledge and experience. Under this training program, employees who wish to pursue postgraduate education are encouraged to obtain master's and doctoral degrees in the engineering fields that Vestel Beyaz Eşya needs.

Established with the vision of “bringing the university campus to the company,” Vestel Technology Academy also offers Vestel Beyaz Eşya engineers the opportunity to become in-house academics. Employees, who are evaluated by Özyeğin University

and fulfill the prerequisites, are appointed as visiting faculty members. In-house academics continued to teach at the Vestel Technology Academy in the 2022-2023 academic year.

44 Vestel Beyaz Eşya employees who received 6,485 hours of training as part of the Vestel Technology Academy in 2023 continued their graduate studies in the fields of Computer, Electrical-Electronics, Industrial, Mechanical Engineering and Data Science. A total of 84 employees have graduated so far. In addition, 18 academic studies were transformed into industrial practices and 7 studies became a part of patent, publication or incentive processes.

Vestel Retail Academy

Vestel Retail Academy (VPA) organized 30 different training and development programs in 2023, providing a total of 11,189 hours of training to 2,949 participants. Improvement was observed in 23% of the trainings and participant satisfaction rate was 96%. In addition, the average NPS (Net Promoter Score) is 77.

Vestel prepared 203 videos, 76 documents, and 78 articles to support the holistic development of employees and shared them on various platforms. These materials cover product training, sales techniques, industry trends, operational processes, and omnichannel topics. Training programs on “Managing Yourself,” “Managing the Product,” “Managing the Customer,” and “Being a Team” were organized for Vestel store employees.



In 2023, 202 team/shift leaders received 5 modules and 8,596 hours of training in total through the Workshop Leadership Development School, which is specially designed for blue-collar team/shift leaders.

In addition, special training programs have been developed for regional officials, store officials, and sales consultants. Six different training programs were planned for dealer business partners, including product training, effective management seminars, and customer experience training. The Women Dealers program continued with trainings on management and personal development and was supported through the vpa.com.tr platform.

Vestel Service Academy

Vestel Service Academy is the first training program having the TS ISO 29993 Certificate. It has been operating within Vestel Customer Services since 2012 for the regular and continuous training and development of all service teams, such as authorized service provider technicians, customer representatives and service managers in order to provide a flawless experience in after-sales services. The Academy provided 6,236 hours of training to 3,373 people in 2023 through various training modules and different training approaches that actively utilize digital and live channels.

Workshop Leadership Development School

The Workshop Leadership Development School, specially designed for blue-collar teams/shift leaders, aims to strengthen participants' lifelong competencies and leadership approaches through its more than one modules. The program, which was developed by Vestel's internal resources in terms of design, content, methodology and instructor staff, has an experience, game and activity-oriented approach. By creating an environment where senior management and team/shift leaders come together, fast and effective exchange of experience and managerial alignment of the corporate culture are ensured. In 2023, a total of 202 team/shift leaders received a training of 5 modules and 8,596 hours.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Zorlu Academy Online Training Platform, which offers personal development and technical training contents, provided 3,420 hours of training to 1,104 office employees in 2023.



Vestel Academy Training Platform

In 2023, Vestel added a new digital training platform for its employees. Vestel Academy Training Platform has implemented the microlearning model within the company, especially targeting field workers. Specially designed content for field employees includes practical information suitable for daily operations and learning processes are optimized with the micro-learning model. In addition to the trainings on Gender Equality, Earthquake Preparedness and Living with Earthquake, Environment and Zero Waste, work is underway to add new trainings to the platform. Vestel Academy Training Platform provided 5,614 hours of training to 6,703 field employees.

Zorlu Academy Online Training Platform

Zorlu Academy Online Training Platform offers personal development and technical training content for all Zorlu Group companies, including Zorlu Holding and Vestel Beyaz Eşya. In addition to corporate governance and sustainability trainings, there are also training programs focusing on the professional development of employees. Through trainings covering a wide range of topics, it is aimed to ensure that employees are compatible with current developments in the business world, actively contribute to the corporate culture, improve their competencies and optimize their business performance.

In addition to trainings such as Gender Equality, Ethical Principles, Environment, Financial Literacy and Innovation Culture, efforts are underway to add new trainings to the platform. In 2023, 3,420 hours of training was provided to 1,104 office employees through the Zorlu Academy Training Platform.

Onboarding Program

The Onboarding Program, implemented to introduce new employees to Vestel culture and facilitate their adaptation process, is revised each year in line with innovations and needs. Facilitating the onboarding and adaptation process and introducing Vestel culture are the main objectives of the Onboarding Program. Since 2020, the Onboarding Program, which continues to be implemented on an online platform, has been integrated with the Pole Star mentoring application.

With the Pole Star Mentorship program, Pole Stars, who will work voluntarily for three months in parallel with orientation, are selected under the leadership of department managers and participate in a training provided by the Human Resources Department. In 2023, a total of 77 Pole Stars provided guidance to new colleagues.

PROGRAMS FOR YOUNG TALENTS

Vestel Beyaz Eşya continues its employer brand journey on campuses with the motto “Possible with Vestel, Why Not?.” The Company aims to reach qualified candidates on university campuses and ensure the recruitment of talent. To this end, we are in close cooperation with universities and organize various projects such as career events and engineering competitions. In addition, programs such as Vestel Management Trainee and Vestel Internship Programs have also been carried out to recruit young talents.

Vestel Management Trainee Program

The Vestel Management Trainee (MT) Program is a comprehensive program aimed at training new graduates to be the managers of the future. This four-month process consists of academic courses, theoretical trainings at Vestel, personal development trainings and internships. Through this program, young management candidates who are familiar with the company culture and have industry knowledge are trained and new projects that will add value to Vestel are developed. The 14th Vestel MT Program was completed in 2023 with the participation of a graduate from Türkiye’s leading universities and in cooperation with Koç University, and the candidate who completed the program started working at Vestel Beyaz Eşya. Young management candidates received 235 hours of training in 12 different topics throughout the training program.

Vestel V-Compass University Internship Program

Within Vestel Group of Companies, Vestel offers short-term internship opportunities to engineering students in production and R&D, and to students of the faculty of economics and administrative sciences in the Financial Affairs, Sales and Human Resources departments.

Employee Engagement and Satisfaction

Vestel Beyaz Eşya attaches importance to the well-being of its employees, with the belief that employee loyalty will enable the Company to increase its competitiveness, financial performance and reputation as an employer. The Company invests in technological infrastructure and continuously improves its efforts to improve employee rights in a fair manner, to implement practices that ensure work-life balance, and to create a healthy and peaceful working environment.



Vestel Beyaz Eşya aims to evaluate and improve the opportunities it provides to its employees as well as the working environment through the Employee Satisfaction and Commitment Survey organized every two years. Within the scope of this research, employees are asked comprehensive questions about their job satisfaction, work purposes, happiness with their jobs, and stress management. Research results are shared with senior management, taking into account age and gender breakdowns. In addition, all employees’ anonymous requests and complaints regarding working conditions are collected through the Complaint/Wish/Request Evaluation System on the corporate portal via the mobile kiosk application. Necessary actions are taken in response to incoming requests and complaints and feedback is provided to employees.

The “Heartfelt Conversations” event, attended by employees, aims to promote meeting and cohesion between departments. The online event called “Expert Conversations” is an event where experts in their fields are hosted and employees participate and interact with them. “Agenda & Hello” is an online event organized based on the need for information within the company. In 2024, activities are planned to continue.

Vestel Beyaz Eşya aims to evaluate and improve the opportunities it provides to its employees as well as the working environment through the Employee Satisfaction and Commitment Survey organized every two years.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya is sensitive about Occupational Health and Safety policies and practices in order to provide a safe and healthy working environment.

Vestel Beyaz Eşya develops projects to enhance the quality of life of its employees and ensure that they have a long-lasting corporate life.

Fringe Benefits

Common fringe benefits offered to employees include transportation, meals, kindergarten and kindergarten shuttle service support, educational scholarships from the Zorlu Holding Mehmet Zorlu Foundation for successful children, marriage, birth and death leaves, cash allowances, four shopping vouchers per year, additional payments for those who complete their master's and doctorate degrees, educational support payments for those who have children in school, monthly financial support for those who have disabled children, the right to use the gym in Vestel City and discounts on Vestel branded products. In addition to work-life balance solutions, a hybrid working pattern is implemented in departments where possible.

Vestel Beyaz Eşya has a regulation on working conditions and the use of leave before and after childbirth. It is essential that female employees are not required to work for a total of 16 weeks, 8 weeks before the birth and 8 weeks after the birth. In the event of multiple pregnancies, 2 weeks are added to the 8-week period. A female employee may work at the workplace up to three weeks before the birth (37th week) provided that a doctor's certificate certifies that she is in good health. In this case, the time worked is added to the postnatal period.

Work and Life Balance

The "Viva!" Project, which was developed to improve the quality of life of employees and ensure that they have a long-lasting corporate life in the area of "Corporate Well-being," which is among the sustainability goals of It started to implement this project by integrating it with Zorlu Holding's "We Are Good Together" Project and Wellbees application in 2020.

We Are Good Together Project covers:

- Activities aimed at protecting physical and mental integrity,
- Seminars and workshops on good and healthy life,
- A common sharing platform with event announcements,
- E-mail contents and notifications to boost employee motivation,
- Adopting the motto "Possessing a Vestel means better living" and the activities to be organized for this purpose,
- Awareness-raising information sharing for healthy living,
- Spreading the corporate culture and creating sharing environments that strengthen the communication between the Human Resources Department and employees,
- Suggestions and practices for improving Vestel's physical conditions.

In addition to the "We Are Good Together" Project, Vestel also offers free psychologist, nutritionist and sports coach support to its employees. Besides, Vestel ensured the establishment of Basketball, Dance, Outdoor Sports, Photography, Music and Running clubs in order to support the social development of its employees as well as their professional development.



200 employees volunteered for a total of 668 hours in corporate volunteering activities, one of Vestel Beyaz Eşya's key targets within the framework of its sustainability approach.

Employee Volunteerism and Contribution to the Society

As part of Vestel Beyaz Eşya's sustainability approach, one of its key goals is to increase corporate volunteering efforts. Launched in 2019, the "Sparks Movement" aims to carry out volunteering activities in five main groups within the Vestel Group of Companies: "environment," "children," "people with disabilities," "material recycling" and "animals-our friends." In 2023, 200 Vestel Beyaz Eşya employees volunteered for a total of 668 hours in these activities.

With the participation of Vestel Sparks, which also includes Vestel Beyaz Eşya employees, events were organized in 2023 in cooperation with surrounding municipalities to clean up glass waste, which is one of the most important causes of forest fires in Türkiye. Additionally, a total of 27 volunteering projects were carried out across the country, including disaster/relief projects following the February 6 earthquakes, environmental cleaning in Manisa and Foça, feeding stray animals as part of the World Stray Animals Day, the Ebruli Art workshop with Koruncukköy, the Future for Children Workshop, the Knitting for Manisa Nursing Home event and the "My Voice is a Heritage" project, in which Vestel employees contributed to the e-library by recording audio books for the visually impaired in cooperation with GETEM.

OCCUPATIONAL HEALTH AND SAFETY

Vestel Beyaz Eşya emphasizes Occupational Health and Safety (OHS) policies and practices to ensure a safe and healthy working environment and strives to assess and manage all risks that may result in loss, injury or damage arising from any hazard in the workplace and the potential impacts on employees, subcontractors, sub-industries, visitors, solution partners and other employees in the workplace. The Company's goals include examining the risks that the employees may encounter in the field, raising the awareness of the employees, improving and developing processes, creating ergonomic working areas, ensuring that the most stringent safety measures are taken regarding changing production processes, providing a safe and healthy working environment to the employees, preventing occupational diseases and achieving zero accident.

In the event of an occupational accident, the accident is analyzed by conducting an accident scene investigation and accident root cause investigation with the employee who had the accident, the relevant department manager, occupational safety specialist, workplace physician and employee representative, and actions are taken with all relevant parties to prevent the accident from recurring and to eliminate possible risks.

Vestel Beyaz Eşya Occupational Health and Safety Policy is available [here](#).

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya strives to provide its employees with the best working environment and aims in this context to offer its employees a safe working environment with the goal of “Zero Accidents” by taking all necessary precautions.



All risks in the production site and common areas are evaluated together by the workplace physician and OHS experts, and the fastest possible solutions are put into practice.

Participation in activities on occupational health and safety is encouraged in the plants and there are employee representatives elected from each department to monitor the activities. Ensuring the identification of sources of danger and risks, demanding necessary measures to be taken, representing employees at relevant meetings, taking part in risk analysis and occupational safety activities are among the duties of chief employee representatives. Employees are encouraged to report any unsafe situations and behaviors they encounter, potential accident risks, suggestions and requests through the occupational health and safety portal and/or the notification points located in the plants. Each notification is evaluated and analyzed on site together with the relevant department manager, occupational safety specialist and occupational physician, and necessary action plans are created.

Vestel provides personal protective equipment to all employees at the plant sites, specific to their work and at certain standards, and periodic examinations are carried out for all employees. The Company conducts regular checks to ensure the safety of equipment. Occupational hygiene and indoor environment measurements are regularly made by accredited organizations every year and Vestel takes necessary measures in case of non-compliance. Vestel approves the entry of chemical substances into the factory by performing technical and preliminary evaluations and taking the opinions of the occupational safety expert, workplace physician and officials of the relevant department. It allows the use of chemicals after the completion of field trials and employee trainings.

Employees undergo regular periodic health examinations planned according to both their own state of health and the risks in their current area of responsibility. Necessary work arrangements are made for changing health conditions, thus preventing both occupational diseases and work accidents and ensuring the most efficient work of employees. By providing outpatient examination and treatment opportunities for simpler health problems, workforce losses are prevented, and only employees who need further examination and treatment are directed to higher level health institutions. All risks in the production site and common areas are evaluated together by the workplace physician and OHS experts, and the fastest possible solutions are put into practice. Vestel Beyaz Eşya continued to provide OHS trainings to all employees and organized a total of 77,581 hours of basic OHS training during the year. Company's ISO 45001 Certificate remained valid after the audit carried out in 2023.

Vestel Beyaz Eşya continued to provide OHS trainings to all employees and organized a total of 77,581 hours of basic OHS training during the year.



OHS Performance Indicators

Employees	2020	2021	2022	2023
Number of Fatalities	0 ✓	0 ✓	3	0 ✓
Lost-Time Injury Frequency Rate ⁴	32.48	39.82	42.39	38.45
Severity of Accidents ⁵	0.23	0.31	1.10	0.32
Occupational Disease	0 ✓	0 ✓	1	0 ✓
Injury Frequency Rate	55.66	79.76	76.26	97.47
Number of Accidents	1,112	1,902	1,895	2,237 ✓
Number of Lost Workdays	5,920	9,940	33,611	10,153 ✓

Subcontractors	2020	2021	2022	2023
Number of Fatalities	0 ✓	0 ✓	0 ✓	0 ✓
Lost-Time Injury Frequency Rate ⁴	14.61	24.79	26.07	22.10
Severity of Accidents ⁵	0.03	0.12	0.11	0.17
Occupational Disease	0 ✓	0 ✓	0 ✓	0 ✓
Injury Frequency Rate	27.16	44.72	40.63	75.84
Number of Accidents	43	77	98	93
Number of Lost Workdays	60	196	188	389

Total	2020	2021	2022	2023
Number of Fatalities	0 ✓	0 ✓	3	0 ✓
Lost-Time Injury Frequency Rate ⁴	32.04	39.33	41.57	37.13
Severity of Accidents ⁵	0.22	0.30	0.98	0.31
Occupational Disease	0 ✓	0 ✓	1	0 ✓
Injury Frequency Rate	56.08	79.42	77.06	93.54
Number of Accidents	1,155	1,979	1,993	2,330
Number of Lost Workdays	5,980	10,136	33,799	10,542

⁴ Lost-Time Injury Frequency Rate = Total Number of Occupational Lost Time Accidents x 1,000,000 / (Total Working Days - Non-Working Days) x Daily Working Duration

⁵ Severity of Accidents = Total Number of Lost Days x 100 / (Total Working Days vs. Non-Working Days)

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya continues to increase its environmental and social benefits by developing social responsibility projects in line with the Sustainability Development Goals.

CORPORATE CITIZENSHIP

Vestel Beyaz Eşya continues to expand its social contribution in various social and environmental issues, taking into account the needs of the society. Out of the Sustainable Development Goals, it organizes various social projects focusing primarily on Quality Education, Gender Equality and Decent Work and Economic Growth.

Vestel Beyaz Eşya contributed a total of TL 83.3 million to social projects in 2023.

Sponsorships

Vestel continues to contribute to the sports world with its sponsorships in various sports branches. It has been a major supporter of Turkish volleyball in the last seven years and will continue its support as the main sponsor of the Turkish Volleyball Federation (TVF) in the 2023-2024 season. Vestel will also be the chest sponsor of the Men's National Team and will maintain its position among the main sponsors of TVF. Under the terms of the sponsorship agreement, the Burhan Felek Volleyball Hall in Istanbul will be known as the "TVF Burhan Felek Vestel Volleyball Hall" for the next three years and the TVF Atatürk Volleyball Hall in Izmir will be known as the "TVF Atatürk Volleyball Hall Vestel Sports Complex."

Communication activities such as the "We Are a Country of Volleyball" campaign continue to support volleyball in Türkiye. Vestel's communications efforts have received a total of 45 awards so far, and have been ranked among the most successful in the sector. In 2022, with the agreement signed with the Turkish Gymnastics Federation, Vestel became "Main Sponsor of the Turkish Gymnastics Federation" and "Main Sponsor of the Gymnastics National Teams" and continued this sponsorship in 2023. In addition, it contributed to the democratization of sports and accessibility for all by becoming the main sponsor of the Turkish Sports Federation for the Physically Disabled in 2023.

Ongoing sponsorships in sports include Trabzonspor Football Team, Kastamonu Municipality Youth and Sports Club Women's Handball Team, Manisa Metropolitan Municipality Sports Club Basketball Team, Denizli Merkezefendi Basketball Club, Göztepespor and sailing racer Okyanus Arıkan.

As part of its support for the arts, Vestel is among the corporate sponsors of Zorlu PSM.



With the Elim Sende (You Have My Hand) project, Vestel aims to provide social and institutional support to women victims of violence and contribute to their new lives as they plan for an independent life.

Elim Sende (You Have My Hand)

Launched in 2021, Elim Sende (You Have My Hand) project is implemented under the cooperation of the Gender Equality (GE) Working Group, Vestel, Provincial Directorate of Family Labor and Social Services, Women's Guest House Directorate and Violence Prevention and Monitoring Centers (ŞÖNİM). The project has two phases:

- During the first phase, Vestel responds to the major household appliances and electronic appliances needs of the Women's Shelters providing protection and accommodation to women who are in the process of psychological, social, and economic healing after being exposed to physical, emotional, sexual, economic and verbal abuse or violence.
- In the second phase, Vestel responds to the household appliances and electronic appliances needs for homes where these women establish an independent life upon leaving the women's shelter.

Elim Sende (You Have My Hand) Project aims to improve the quality of life of women staying at women's shelters and accompanying children, strengthen public-private sector collaboration in the solution of social problems, offer social and corporate support to women survivors of violence, and contribute to their plans to lead an independent life. In 2023, 6 products were donated to the Manisa Girls' Support Center (ÇODEM).

Do It Yourself Workshops with Vestel

DIY Workshops with Vestel focuses on socio-economically disadvantaged schools. This project was implemented in cooperation with Zafer Development Agency and Uşak University and the first workshop was realized in Uşak. Through the use of waste, zero waste and circular economy practices are encouraged, coding and design skills of children are developed and recycling awareness is promoted. In the workshops, recycled materials are used to create products, and students are taught Robotic Coding and Design Skills while also gaining experience in sustainability and innovation. Students are also encouraged to participate by being offered internship opportunities.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

By identifying the risks that pose a threat to the supply chain and the areas where improvements can be made, Vestel Beyaz Eşya carries out various activities to prevent supply chain interruptions.

SUPPLY CHAIN

Supply chain risks have an impact on many companies globally and supply chain resilience, sustainability and effective management have become increasingly important issues. Risks arising from logistical and political problems, such as the unavailability of the Suez Canal due to ongoing wars and attacks on merchant ships, cause disruptions in supply chains.

By identifying the risks that pose a threat to the supply chain and the areas where improvements can be made, Vestel Beyaz Eşya carries out various activities to prevent supply chain interruptions. The Company manages supply risks with the diversity of its supply network and flexible production capability. Vestel takes measures to mitigate risks such as increased costs and production disruptions in the supply chain, and works to ensure diversity of suppliers and an efficient supply chain. Vestel Beyaz Eşya's priorities in the supply chain stand out as quality, cost, safety, logistics and sustainability.

It prioritizes local suppliers in supplier selection in order to ensure continuity in supply and production and to support local economic development. In order to minimize the impact of increasing supply chain costs on product costs, the Company designs its operational efficiency projects in a way to include supply industries and employees at all levels.

With its innovative structure, Vestel has adopted technology and innovation as a corporate culture since the day it was founded and invests in the digitalization of its supply chain. Additionally, monitoring the ESG performance of suppliers is among the priorities to increase supply chain resilience.

At Vestel Beyaz Eşya, the supply planning teams of six plants convene regularly to work on the alignment of standard processes at different plants and share best practices in supply chain workshop groups. All steps of the supply chain are analyzed thoroughly and improvements are made.

Vestel Supplier Summit

As the first supplier organization to bring together Vestel's critical suppliers, Vestel Supplier Summit was held in China. The event was attended by 385 participants from 180 suppliers from China, Taiwan, Korea and Vietnam. The future vision, plans, new business lines and targets of Vestel were conveyed to the participants by the CEO of Vestel Group of Companies. Growth, investment and product plans in business lines were presented in detail. Vestel Supplier Summit event is not only important as a platform to provide information flow to suppliers and share expectations, but also as a platform where suppliers are rewarded. At the event, where many suppliers received awards, the most meaningful award in the corporate responsibility field in 2023 was given to the supplier that provided the greatest support to Vestel's Earthquake Container House Donation Campaign.



As of 2023, Vestel Beyaz Eşya has 110 critical suppliers and 80% of its total procurement volume in 2023 is composed of suppliers with critical impact.

Evaluation and Audit in the Supply Chain

All Vestel Group companies consider the compliance of their suppliers, which they regard as important business partners, with internationally recognized environmental, social and ethical standards and Zorlu Holding AŞ **Supplier Code of Conduct** among their primary responsibilities. Suppliers and all business partners are expected to comply with the **Supplier Code of Conduct** and legal obligations.

Suppliers are required to accept the Procurement Principles which are published publicly on the **Vestel Purchasing Portal** and to register in the Supplier Lifecycle Management (SLC) system, which is a supplier management system. The Supplier Code of Conduct encompassing all Group companies and the main principles expected by Vestel Beyaz Eşya from its suppliers is available **here**.

The Company subjects potential suppliers to a Competency Survey before working with Vestel Beyaz Eşya. Under the Competency Survey, it asks suppliers many comprehensive questions regarding social compliance (including child labor and forced labor), occupational health

and safety, environment, quality, and management system practices. In addition, suppliers are asked to provide their environmental policies, audit reports and authorized economic operator certificates through surveys. Throughout the audits carried out by the Purchasing and Quality units, issues related to environmental compliance, occupational safety and fulfilling Vestel Beyaz Eşya's material/product quality standards are checked.

Suppliers with critical impact on business processes are identified. Critical suppliers are suppliers with high volume orders, suppliers providing critical materials, suppliers whose products, services and processes cannot be substituted and suppliers identified as a result of Pareto Analysis.

As of 2023, Vestel Beyaz Eşya has 110 critical suppliers and 80% of its total procurement volume in 2023 is composed of suppliers with critical impact. Trainings for existing suppliers are continued in order to spread responsible procurement awareness. Vestel Beyaz Eşya provided a total of 217 hours of training to 82 suppliers in 2023.

	2020	2021	2022	2023
Vestel Beyaz Eşya Supplier Audits	14	35	281	250

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Beyaz Eşya monitors the environmental, social and governance (ESG) performance and strategies of its suppliers.

Vestel has developed the Vestel Supplier Monitoring Program to enable suppliers involved in sustainability processes effectively.

Vestel Supplier Monitoring and Development Program

Vestel Beyaz Eşya monitors the environmental, social and governance (ESG) performance and strategies of its suppliers. In this respect, Vestel Beyaz Eşya strives to ensure supply chain sustainability by demanding that its suppliers improve their performance on various aspects such as respecting the human rights of their employees, ensuring their health and safety and developing systems against corruption and bribery. To this end, the **Vestel Supplier Monitoring and Development Program** was launched to enable suppliers to effectively participate in sustainability processes, understand and improve their current levels.

This program aims to inform, evaluate and develop Vestel's suppliers on sustainability. As part of the program, suppliers are required to share their data on environmental, social and governance issues with Vestel at regular intervals through designated platforms and software, and are expected to participate in the evaluation studies to be carried out by independent evaluation institutions.

Vestel Supplier Monitoring and Development Program consists of two stages as training and audit:

- 1. Training:** An online sustainability training consisting of five modules has been prepared for critical suppliers. The training consists of sections on the Vestel Supplier Monitoring and Development Program and expectations from suppliers in the context of the program, sustainability, environmental, social, and governance (ESG) concepts and criteria, and environment and workforce management. In 2023, 20% of critical suppliers participated in trainings.
- 2. Audit:** An online assessment is conducted for critical suppliers within the scope of business ethics and ESG. On behalf of Vestel, this process is carried out by a third-party independent audit organization. In 2023, 43 critical suppliers of Vestel Beyaz Eşya completed this assessment.

In 2023, a total of 43 suppliers completed the necessary training and were subjected to evaluation as part of the Vestel Supplier Monitoring and Development Program. The average score of the evaluated suppliers was 87/100. 84% of the evaluated supplier companies successfully completed the evaluation. Open actions of unsuccessful suppliers are monitored and actions are expected to be closed within 90 days. 40% of the incompliances identified in 2023 were closed by the suppliers within the specified period. Vestel aims to carry out the same program with the rest of the critical suppliers in 2024.



In 2023, a total of 43 suppliers completed the necessary trainings and were evaluated as part of the Vestel Supplier Monitoring and Development Program. The average score of the evaluated suppliers was 87/100.

Upon completion of the training and audit processes, supplier sustainability scores are determined and reflected on supplier scorecards. Activities required for improving the scope of ESG audits for all critical suppliers are followed by the Supply Chain Working Group.

High Risk and Conflict Zone Minerals

Vestel Beyaz Eşya checks the components to determine if they contain “Minerals Sourced from Conflict Zones (3TG - tin, tantalum, tungsten, and gold).” It informs suppliers about the issue in advance and takes necessary steps to ensure that the 3TG minerals are not sourced from “Conflict Zones.” “Minerals from Conflict Zones” represents minerals extracted from mines controlled by armed groups in the Democratic Republic of the Congo and neighboring countries (Central African Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda, Uganda), referred to as “Conflict Zones.” In 2023, commitments were received from 110 suppliers not to use minerals sourced from conflict zones.

In this context, Vestel Beyaz Eşya carries out the following activities concerning conflict minerals:

- Identifying products with a high probability of 3TG use,
- Identifying and evaluating supply sources,
- Ensuring that suppliers adopt policies on conflict minerals in line with Vestel Beyaz Eşya's policies,
- When a conflict minerals situation is detected or a risk is foreseen in the supply chain, ensuring coordination and, if necessary, terminating cooperation with risky suppliers and regularly sharing status information.

ESG Performance in authorized services

An important part of Vestel's value chain is its authorized service centers. Vestel has also started to monitor the ESG (environmental, social, governance) performance of authorized service centers and to evaluate their practices for improvement. The project, which started in 2022 as a pilot project and expanded to the general public in 2023, aims to evaluate and improve the sustainability practices of authorized service centers.

In the first stage, environmental practices of authorized services such as energy and resource use and waste management are evaluated. Additionally, gender equality, occupational health and safety and social benefit activities of the services are also evaluated to determine their social sustainability scores. Finally, governance practices of the services are also examined comprehensively within the framework of the specified criteria. Scores on environmental, social and governance issues are analyzed to determine the topics that authorized services need to improve and the actions that will help them move these topics forward. Vestel also provides the resources and training to increase the knowledge and awareness level of authorized service centers on this matter. In 2023, pilot service centers were selected as part of the project and sustainability trainings were organized. 110 Vestel authorized services completed the trainings, while 95 authorized services completed ESG assessments.

A NET-ZERO COMPANY

Believing that resource scarcity and the fight against the climate crisis should be on everyone's agenda, from the public to the private sector, Vestel Beyaz Eşya's investments in renewable energy and energy efficiency and innovative business models play an important role in the transition to a net zero emission economy.

Recognizing the need to trigger transformation in the entire value chain for a sustainable future, Vestel Beyaz Eşya supports the reduction of energy consumption through operational improvements and innovative products by leveraging the power of Industry 4.0 and automation, and implements circular models to increase resource efficiency in production and reduce the environmental impact of its products.

41.09

tons CO₂/mEUR
Greenhouse gas
density

115.36

MWh/mEUR
Energy density

455.41

m³/mEUR
Water density



THE JOURNEY TO NET ZERO

Climate Crisis and Net Zero Targets

In 2023, the 1.5°C temperature threshold set as the limit for global warming under the Paris Agreement was exceeded for the first time. Extreme temperatures, uncontrollable fires, rising sea levels and floods emphasize the increasing and devastating impacts of the climate crisis. The need for mitigation and adaptation strategies is growing worldwide. In this regard, new technologies, green finance and circular economy practices are becoming more important in the transition to a net zero-carbon economy.

Considering that the carbon budget is declining faster than predicted, it is critical to reduce GHG emissions to net zero as soon as possible. For this purpose, net zero targets announced by countries are becoming more common. The implications of these government commitments for the private sector, and the mitigation obligations that these implications bring, necessitate each sector to evaluate its climate strategy with scientific targets and sector-specific actions.

Science-based Targets

In line with the global agenda, Vestel Beyaz Eşya aims to reach net zero emissions by 2050, first in its own operations and then in its entire value chain. In this respect, Vestel Beyaz Eşya has taken an important step towards achieving net zero by committing to the Science Based Targets Initiative (SBTi).

By 2030 compared to 2021:

- Scope 1 and 2 emissions are targeted to be reduced by 42%,
- Scope 3, category 11 emissions are targeted to be reduced by 25%.

Vestel Beyaz Eşya will achieve the reduction targets for Scope 1 and 2 operational emissions with various contributions from the different instruments listed below.

- Energy efficiency measures taken in production facilities, such as waste heat recovery systems, electrification, optimization of processes through energy efficiency improvements, improvement and automation of energy monitoring systems
- Replacing company fleets with hybrid or fully electric vehicles
- Shifting the energy portfolio of generation activities from fossil fuel-based to those with lower emission factors
- Expanding renewable energy generation systems to meet primary energy needs, including electricity and heat
- Use of renewable energy certificates throughout operational activities

A NET-ZERO COMPANY

Vestel Beyaz Eşya strives to achieve net zero emissions by 2050 and the Science Based Targets Initiative (SBTi) approval process is ongoing.



In the 2023 CDP report, evaluating the 2022 data, Vestel Beyaz Eşya's Climate Change score was A- and its Water Security score was C.

The largest share of Vestel Beyaz Eşya's Scope 3 emissions is the emissions from the use of products sold in Category 11. In this regard, there is awareness of the necessity to trigger transformation across the entire value chain, with focus directed towards three main areas.

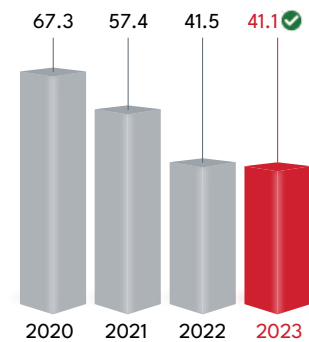
- Accelerating R&D and Innovation efforts to increase the market share of products with low energy labels and develop products beyond compliance levels
- Designing and manufacturing products with a life-cycle-based approach that will lead to lower energy consumption during the usage phase
- Promoting practices that will lead to behavioral changes in customers through various incentives and communication activities

Vestel Beyaz Eşya closely monitors actions related to targets undergoing approval processes by the SBTi. To minimize the impact of local and international climate developments in the short term, which is considered as 2030, and to seize opportunities optimally, Vestel Beyaz Eşya has begun implementing a "Decarbonization Strategy" aimed at the medium to long term, which is 2050.

Vestel Beyaz Eşya has been making disclosures to the Carbon Disclosure Project (CDP) since 2012. In the 2023 CDP report, evaluating the 2022 data, Vestel Beyaz Eşya's Climate Change score was A- and its Water Security score was C.

Vestel Beyaz Eşya's CDP reports can be found [here](#).

Greenhouse Gas Density* (tons CO₂/mEUR)



*Greenhouse Gas Intensity is calculated based on the sum of Scope 1 and 2 emissions.

In 2023, a total of 7 main energy efficiency projects were implemented, saving 2,034 MWh of energy and TL 5.2 million. These improvements prevented a total of 2,192 tons of carbon emissions.



Renewable Energy Generation

Vestel Beyaz Eşya makes a contribution to combating the climate crisis through renewable energy generation and energy efficiency investments to transition to a zero-carbon economy. Vestel Beyaz Eşya generated 170 MWh of energy in 2023 with the 142 kWp solar panels it had installed. The Company plans to increase its investments and reach an annual electricity generation of 11,882 MWh with 8,200 kWp of solar panels and accordingly reduce carbon emissions by 5,430 tons. This investment is planned to be realized in 2024. Upon the implementation of the investment, approximately 90% of the electricity consumption of the Vestel Beyaz Eşya drying factory and 10% of the energy needs of the entire production will be provided using solar power.

Energy Efficiency

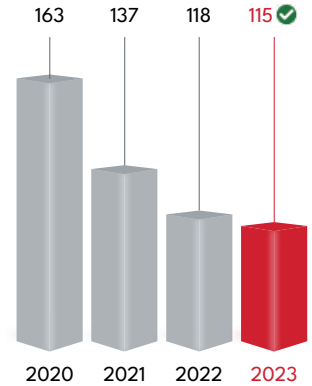
Energy efficiency constitutes an important step of the net zero roadmap. Monitoring energy consumption and identifying high consumption points through instant data monitoring systems enables the design of effective mitigation projects. The Data Monitoring system has been extended to all business units, thus making it possible to monitor the consumption of all energy points and take action accordingly.

In terms of energy efficiency in products, the energy consumption of products sold in Türkiye in 2023 improved by 2.8% in tumble dryers, 2.5% in washing machines, 2.4% in cooking appliances, 1.3% in air conditioners, and 0.6% in dishwashers compared to 2022.

In terms of after-sales services, the call center responded to and resolved 140,926 calls without technician support, preventing 493,241 km of vehicle movement and 193 tonnes of carbon emissions.

Vestel Beyaz Eşya employees are provided with “Sustainability, Environment and Energy Training,” which covers energy efficiency and energy policy issues. In 2023, 1,318 employees received one hour training on energy efficiency.

Energy Density (MWh/mEUR)



A NET-ZERO COMPANY

Vestel has signed a lower-emission fuel agreement with Maersk, one of the largest logistics suppliers. This prevented 8,550 tons of carbon emissions by the end of 2023.



Climate-Related Incentives

Vestel Beyaz Eşya implements a reward system for its employees in all production units. Employees receive a point for achieving their targets regarding the specified environment, energy and climate change performance indicators and are ranked based on these points at the end of each month. The top three departments receive Vestel Points. They can collect and accumulate these points to receive gifts from the award catalogue later.

Carbon Border Adjustment Mechanism

Carbon Border Adjustment Mechanism (CBAM) was published on May 16, 2023 as part of the European Union's target to reduce greenhouse gas emissions by 55% by 2030. The CBAM is planned to apply carbon pricing equivalent to the

Emissions Trading System (ETS), to the imports of covered products. Between October 1, 2023 and December 31, 2025, a transitional period, which includes only a reporting obligation with no financial obligation, has started. In this regard, in line with the current requirements of CBAM, the carbon emissions related to inputs such as Cement, Iron-Steel, Aluminum, Hydrogen, and Electricity used in Vestel Beyaz Eşya products are closely monitored. Projects such as the development of programs to calculate the carbon footprint of products to comply with the expanding scope of CBAM in the future, and the establishment of a supply chain management system to monitor indirect emissions, are being implemented.

Logistics

Increasing low-emission transportation and load improvements in logistics operations play an important role towards achieving net zero emissions in the value chain. Packaging optimization efforts help minimize space loss in container, truck and intermodal transfers for shipments from the Far East and Europe.

A lower emission fuel agreement has been signed with Maersk, one of the largest logistics suppliers. By using **lower emission fuel**, 8,550 tons of carbon emissions were prevented until the end of 2023.

Refinitiv:

According to Refinitiv's 2023 assessment, **Vestel Beyaz Eşya** is in the industry's **top three** by scoring **82/100**.

S&P Global:

On S&P Global's list, **Vestel Beyaz Eşya** become the company with the **second-highest score**, in its industry and included in 2024 edition of S&P Global's Sustainability Yearbook.

VESTEL IS RANKING HIGH IN ESG INDICES

In 2023, Vestel Beyaz Eşya used a total of **8,193 tons** of **recycled** cardboard in product packaging, with **4,515 tons** bearing the **FSC logo**.

Under the **Zero Waste** framework, **95%** of **production waste** at Vestel Beyaz Eşya is **recycled**.

In Sustainalytics' ESG risk rating, Vestel Beyaz Eşya was assessed to be at **low risk category**.

Vestel Beyaz Eşya has been reporting to the **Carbon Disclosure Project (CDP)** since 2012.

VESTEL

A NET-ZERO COMPANY

As part of the Zero Waste Management System, Vestel Beyaz Eşya prioritizes its activities focused on preventing, reducing, recycling and recovering waste generation.

CIRCULAR ECONOMY

Circular economy plays a critical role in tackling the issue of global waste and overuse of resources. It also contributes to the development of new business models that will provide financial benefits. From design to the end-of-life of products, circularity practices encourage principles such as repair, reduction, reuse, recycling and upcycling.

Innovative efforts to reduce the use of raw materials in the design phase allow us fewer parts to be used where possible. In addition to design changes, the use of recycled and recyclable materials is being increased. During the production phase, care is taken to reduce the amount of rework and to use existing molds. During the transportation phase, the efficiency of logistics processes is increased and environmental impacts during transportation are minimized by arranging the amount of packaging to pack the maximum amount of products in the container.

During the after-sales phase, Vestel carries out repair, reuse, and renewal activities to extend the service life of its products, facilitate their repairability, and ensure that products are ready for reuse. It is aimed to contribute to the circular economy with R&D studies which will reduce costs. Accordingly, to facilitate the repair of products, all parts are designed to ensure their accessibility during repair. Vestel Beyaz Eşya supports the repair and reuse of products and continues its efforts in this area.

Zero Waste

As part of the Zero Waste Management System, Vestel Beyaz Eşya prioritizes its activities focused on preventing, reducing, recycling and recovering waste generation. The waste generated during the production stages is separated at the source, stored in temporary storage areas and sent to licensed waste companies in line with the Waste Control Regulation. Through regular audits, recycling and recovery of waste is controlled.

95% of waste from production is recycled and recovered by making waste bins with parts such as washing machine drums. As part of the Zero Waste practice and the vision of circularity, food waste is also utilized. In 2023, 2,004 kg of compost obtained from waste was utilized in Vestel's own green areas. 99.4 tons of food waste was donated to stray animals.

For the first time in Türkiye, FSC (Forest Stewardship Council) certified and 100% recycled cardboard began to be used in Vestel refrigerators and dishwashers as of 2021. In 2022, this practice was extended to cover all Vestel-branded household appliances sold in Türkiye. In 2023, 8,193 tons of recycled cardboard was used, 4,515 tons of which was FSC-logoed.

In 2022, Vestel participated in the Circular Transition Indicators (CTI) training program to measure its circular economy performance in cooperation with BCSD Türkiye. By using the CTI Tool software, the total circularity performance of



Vestel Beyaz Eşya aims to zero the amount of hazardous waste sent to landfills by 2025. In 2023, it reduced the amount of waste sent to landfills by 18%.

Vestel production facilities in 2021 in the categories of materials, energy and water was determined as 27.39%. The analysis revealed that 12% of the raw material inputs used in the production phase are obtained from circular sources, while 39% of the outputs are circular. Within the scope of this program, raw materials and products that will increase circularity the most have been identified. Risk and opportunity analyses were conducted and action plans were subsequently prepared to improve the results of the Circular Transition Indicators.

Product Recovery and Repair

Vestel Beyaz Eşya ensures the repair and reuse of defective materials and products through the Material Inspection and Recovery Project. While authorized services are responsible for the collection of replaced broken parts in the field, the Recovery Unit plays a role in the process of repairing the collected broken parts, reusing them as spare parts, and bringing them into the system. Unrepairable parts are separated according to their scrap class and recycled. Scrapping process is equivalent to the number of products entering the recycling process and the

net income generated by the project in 2023 was TL 527,560. This practice provides economic gains by recovering parts that are of financial value to the company, while at the same time reducing environmental impacts by minimizing the amount of electronic waste.

In 2023, 24,052 spare parts were recovered, saving TL 7.7 million. The products replaced under warranty are delivered to the Returned Products Evaluation Center (DÜDEM) within Vestel City, those available for repair are refurbished at Refurbishing Centers and sold at Vestel Outlet stores and some dealers. In 2023, a total of 37,383 major household appliances were refurbished and brought back into the economy.

Within the vision of product recovery and repair, and in line with the EU Waste from Electrical and Electronic Equipment (WEEE) management, Vestel Beyaz Eşya has subjected nine of its products (air conditioner, dishwasher, refrigerator, washing machine, dryer, electric oven, built-in oven, stove, and kettle) to reuse/recycling assessments in independent laboratories. The recyclability rates of the products selected from these nine different product groups have been calculated after assessments.

Product	Recyclability Rate (%)
Refrigerator	83
Washing Machine	95
Tumble Dryer	86
Dishwasher	81
Built-in Oven	94
Electric Oven	91
Hob	84
Air-conditioner	80
Water Kettle	95

Recyclability Rate = (Weight of Recycled Parts / Total Weight of Product) (%)

A NET-ZERO COMPANY

Vestel Beyaz Eşya strives to reduce the use of plastic in its products by investing in alternative materials instead of plastic.

2,353

Number of products included in the Domestic Recycling Project

313 tons

Reduction of plastic in products

Domestic Recycling Project

Through the Domestic Recycling Project, consumers contribute to the recycling of electronic waste. Unused old electronic products and major household appliances are collected by Vestel authorized service providers from the consumer's home, recycled under appropriate conditions and the proceeds from the sale to the recycling company are donated to non-governmental organizations for use in environmental projects. Additionally, as part of the project, afforestation is carried out with the seed ball method using a drone in areas that are difficult to afforest through Ecording company. So far, a total of 500,000 seed balls have been dropped. In 2023, customers participated in the Household Transformation process with 2,353 products.

Plastic Reduction

Carrying out efforts to reduce the consumption of plastic raw materials and plastic waste generated in production processes and offices, Vestel Beyaz Eşya has made a commitment to reduce the use of plastic and reuse it by recycling under the Business World Plastics Initiative, of which it is a signatory. In this respect, it cooperates with suppliers and start-ups in order to ensure the availability of recycled and alternative plastic raw materials.

By recovering the wastage generated throughout production processes, the Company aims to use 4,344 tonnes of recycled plastic by the end of 2022 and a total of 7,081 tonnes by the end of 2023 in products and components, starting from 2021. Besides, the Company will improve the product and packaging designs of all major household appliances and reduce the use of plastics by 1,000 tonnes by the end of 2023 when compared to the base year 2020 through the activities to be performed under the cooperation of its R&D and Production units.

Vestel Beyaz Eşya surpassed the commitments made in 2023 and reduced 26 tons of plastic in packaging materials and 313 tons of plastic in products. By using 5,046 tons of recycled plastic, a total of 5,385 tons of raw plastic was avoided.

Vestel Beyaz Eşya strives to reduce the use of plastic in its products by investing in alternative materials instead of plastic. Use of materials containing bio-based raw materials such as rice husks, orange peels and olive pits in refrigerators is being widely promoted. In 2023, approvals were obtained for the use of recycled and bio-based plastics in the production of some components. For instance, biolive bioplastic material derived from olive pit waste is among the approved bioplastic components. Using recycled plastics in different parts of machines is also on the rise.

WATER STEWARDSHIP

Vestel Beyaz Eşya aims to use 50% reclaimed and recycled water in 2030. In 2023, this rate was 12%.



WATER STEWARDSHIP

Türkiye is among the countries experiencing water stress. Manisa, where Vestel Beyaz Eşya facilities are located, has a high water risk according to the World Resource Institute (WRI). In this context, efficient water management is especially critical in high-risk areas.

Vestel Beyaz Eşya employs water recovery models and focuses on minimizing water consumption as it is located in a water-risk area. To this end, the Company strives to develop and disseminate water-saving projects and to increase recycling. Vestel Beyaz Eşya has its water footprint verified in accordance with the ISO 14046 Water Footprint Standard and reports all processes related to water management to CDP.

The CDP report for 2023 can be found [here](#).

Wastewater is discharged to the treatment plant of the Manisa Organized Industrial Zone (MOSB). Vestel Beyaz Eşya carries out the necessary treatment processes and uses well water and municipal water supplied by the Manisa Organized Industrial Zone (MOSB) in its facilities. All water used throughout the facility is analyzed and monitored twice a month. In addition, water samples taken from the infirmary are analyzed once a month and the mains water supplied by the Manisa Organized Industrial Zone (MOSB) is analyzed twice a month at the relevant provincial Public Health

Directorates. All water usage is monitored instantaneously with the monitoring system thanks to a project, which was put into practice in 2023.

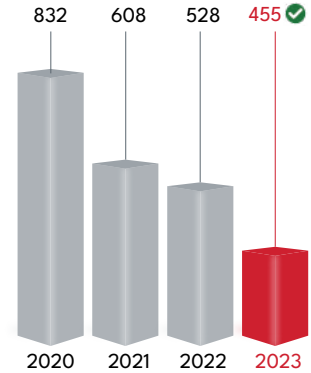
Vestel Beyaz Eşya identified the most water-consuming processes and focused its water-saving projects on four focal points.

- Dyehouse water consumption was reduced from 30,000 tons per year to 6,000 tons per year, saving 80%,
- Tower water recycling system reduced water consumption from 37,000 tons per year to 17,400 tons per year, saving 53%,
- Garden water consumption was reduced from 70,000 tons per year to 9,800 tons per year, saving 86%,
- Additionally, rainwater collection project saved 9,193 m³ of water per year on a 50,000 m² area.

A total of 100,383 m³ of water and TL 1.3 million were saved with the tower, wastewater recovery project implemented in the reverse osmosis pure water production device, cooling towers, and dye house wastewater recovery systems.

At Vestel Beyaz Eşya, "Sustainability, Environment and Energy Training," which covers water management, water use, water footprint, and the journey of water in Vestel factories, is organized as part of the awareness-raising program. Accordingly, 1,318 employees received one hour training in 2023.

Water Density (m³/mEUR)



ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Among Vestel Beyaz Eşya's most important areas of impact are its products and solutions that reach a great number of people. Vestel Beyaz Eşya strives to create social benefit by reducing environmental impact through its products, to meet the needs of consumers in the best way possible, and to facilitate life with smart, high quality and safe products and services. Vestel attaches importance to ensuring that all solutions it offers are accessible to all segments of society.

Prioritizing customer experience and investing in digital service platforms, Vestel Beyaz Eşya strives to continuously improve its performance in the major household appliances sector, where it is positioned as an innovative technology company.

23.6%

Percentage of revenue generated from low carbon products

90/100

Customer loyalty score

TL 1.3 MILLION

Wastewater savings



PRODUCTS AND SOLUTIONS CREATING BENEFITS

As part of its objective to create benefit with its products and solutions, Vestel Beyaz Eşya focuses on energy and water efficiency, reducing plastic pollution, complying with new regulations, facilitating the lives of consumers and developing products that meet the needs of people with disabilities. While rendering the lives of consumers easier by developing smart and connected products, Vestel Beyaz Eşya

also continuously improves its performance with the products it develops by accurately analyzing evolving consumer expectations.

To achieve its 2050 net zero emission target, Vestel Beyaz Eşya monitors the ratio of revenues from low-carbon, environmentally impact-reducing and energy-efficient certified products to turnover.

Product Category	Ratio in Revenues (%)
Low Carbon Products*	23.6
Products Reducing Environmental Impact**	24.3
Energy Efficiency Certified Products***	18

* A large portion of the carbon footprint of all products manufactured at Vestel Beyaz Eşya is attributable to the energy and water consumption resulting from the use of these products. Therefore, producing more energy efficient and water saving products is one of the main R&D motivations. In identifying low-carbon products, those that consume less energy and water than the sector average are used as the benchmark. In this context, for all products, including non-European countries, products that consume less energy and water than the sector average are determined based on the average of the products sold in the household appliances sector in Europe in 2023.

** As products with reduced environmental impact, products that minimize the use of natural resources and products with technologies that reduce environmental impact are considered. These technologies include washing machines with automatic detergent dosing, dishwashers with water recovery tanks that reuse wastewater, refrigerators with bag vacuuming and fermentation features that reduce food waste, and stoves using induction technology.

*** Amount of electricity consumed by the products is documented and declared in accordance with the regulations of different countries. Examples of energy labels on white goods include ENERGY LABEL (EU) for Europe, ENERGY STAR for the US and Canadian markets, and ENERGY RATING (AUS) for the Australian market.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel Beyaz Eşya develops technological products that facilitate daily life, providing benefits to both the environment and society.



Vestel Beyaz Eşya reduces its environmental impact by designing products with high energy efficiency.

Products that Make Life Easier

Vestel Beyaz Eşya offers products that make life easier for users and minimize environmental impact. Vestel Beyaz Eşya, by listening to consumer needs and demands, has developed products accordingly, including:

- Daylight-Pro products with UV-C technology with a special sterilization system,
- Cold Hygiene Program that saves energy by providing hygiene even at low temperatures in washing machines,
- Dose-On technology that eliminates the need to add fabric softener and detergent before each wash,
- AutoDose technology that determines the appropriate amount of detergent by measuring the level of contamination of the dishes and does not need to refill detergent up to 20 times,
- Hydroboost technology that sprays a mixture of water and detergent onto the laundry from 20 different points inside the drum for an effective wash,
- Silent washing machines and dishwashers operating at 38 decibels,
- Low-depth machines with 7 kg capacity for efficient use in small spaces,
- Pet Hair Shield washing machine that effectively removes pet hair from laundry,
- Washoes washing machine that cleans sneakers gently and efficiently with a specialized attachment and washing program,
- Pyrodry drying technology, which provides efficient results even for plastic utensils due to its built-in heater compared to traditional drying methods,
- Auto Clean Filter technology that automatically cleans the filter after each use,

- Auto Glass Safe technology that can detect the hardness level of water with sensors inside and adjust the salt level to prevent scratches on glassware,
- Vestel Vitamod technology, which resembles sunlight and preserves the vitamin C and antioxidant content of fruits and vegetables,
- 360° Fresh Air technology that ensures homogeneous air distribution in the refrigerator, maintaining food freshness much longer,
- FreshCheck odor sensor that monitors the ripening process of fruits and vegetables and informs users about their freshness,
- The new generation MAYA refrigerator that allows for easy preparation and storage of seven different foods that require fermentation such as dough, yogurt, kefir, vinegar and pickles with automatically adjusted temperature and time functions,
- NEFES air conditioner that offers the comfort of an air purifier and air conditioner in one,
- EPS - Free (Expanded Polystyrene Free) packaging technology that reduces the use of plastic.

Energy-Efficient Products

Designing products with the highest energy efficiency class, Vestel Beyaz Eşya offers consumers refrigerators, washing machines, tumble dryers, dishwashers, cooking appliances and air-conditioners that are resource efficient and user-friendly thanks to the technologies it has developed.



Vestel Beyaz Eşya saves money by keeping both energy and water consumption at optimum levels thanks to its load sensing technology.

Increasing the energy efficiency of its products continuously, the products Vestel Beyaz Eşya designs and produces are shown below.

- The Company designs tumble dryers with weight sensors. Thus, the most efficient drying mode is selected by determining the amount of load in the machine and energy saving is achieved.
- Ovens with HeatWrap technology can simultaneously cook the meals in five different trays evenly, while induction hobs provide much higher heat efficiency than gas hobs.
- The washing machines are 50% more energy efficient than the A energy class due to the Rainfall technology and consume the least amount of energy known in the market. In addition, thanks to the load sensing technology, both energy and water consumption are kept at optimum levels according to the amount of load detected.
- Tumble dryers are the products with the lowest energy class in the market with the Multiverter+ technology and an energy value of A+++ -20%.
- The drying machine which has Thermojet technology and an energy value of A++, reduces drying time by approximately 30 minutes compared to products in the same segment.

- Thanks to Sonic Steam technology that reduces creases and provides hygienic results, clothes require 50% less ironing after drying.
- SelfHeating technology and recycled energy enable a range of solo dishwashers that consume 10% less energy than energy class A.
- DuoMode technology, which transforms the refrigerator compartments based on the needs of the consumer, enables the freezer compartment to be turned off or converted into a cooler when it is not used. Independent functioning of the freezer and cooler compartments thanks to valve routing and parallel cycling ensures energy savings, while the air duct design ensures balanced cooling. The product also stands out for its use of recyclable plastic and mechanical parts.
- Vestel Beyaz Eşya develops A Class products that consume approximately 3 times less energy than the best-selling refrigerators in the market.
- With the double water tank technology designed and developed for dishwashers, the number of models with A energy class according to the New Energy Regulation (A+++ -33% energy class according to the old regulation) were increased. This technology saves 0.1 kWh/hour of energy per wash and 30 kWh/hour of energy per year compared to B energy class products on the market.
- In dishwashers, the "C" energy-class competitive product was developed to meet the increasing demand for energy-efficient products in the market. This technology saves 0.1 kWh/hour of energy per wash and 30 kWh/hour of energy per year compared to D energy class products on the market.
- Vestel Beyaz Eşya's wide range of air conditioning products and its high heating and cooling efficiency values, as well as the average energy savings of 30%-40% compared to equivalent systems, increase the demand for these products. Vestel also carries out projects aimed at optimizing the resources used in its processes and reducing its environmental impact.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel Beyaz Eşya aims to reduce water pollution through washing machines with filter systems.

Thanks to “Waterbox” technology of Vestel Beyaz Eşya, there are dishwashers that consume 5.4 liters of water per use, resulting in 45% water savings.

Water-Efficient Products

In addition to energy efficiency, Vestel Beyaz Eşya also focuses on water efficiency and its products are among the most water-efficient in the market. Vestel Beyaz Eşya produces dishwashers that save up to 45% more water than average products, and washing machines that save up to 35% more water.

- Thanks to its “Waterbox” technology, the company’s product portfolio includes dishwashers that consume 5.4 liters of water per use, resulting in 45% water savings.
- “Aquazone” technology saves up to 3 liters of water per use compared to conventional technologies.
- With “Rainfall” technology, washing machines use up to 32 liters less water per use, saving approximately 35% water.

Introduced in 2022, the water recovery system saves 5.5 liters of water per household for each use and a total of 1,210 liters per year by using the accumulated clean water from the tumble dryer in the washing machine.

Products Reducing Plastics Pollution

Released from clothes made of plastic-based materials during washing, microplastics mix with wastewater and then flow into rivers and seas, causing an increase in water pollution and deterioration in the aquatic ecosystem. In order to reduce plastics pollution, Vestel Beyaz Eşya produces washing machines equipped with a microfiber filter, which largely prevents the mixing of microplastics in clothes with water. Through washing machines equipped with microfiber filter system developed to prevent microplastics from entering the environment and for which a patent application has been submitted, Vestel Beyaz Eşya strives to reduce water pollution. This product was awarded in the “German Innovation Awards, Excellence

in Business to Consumer - Household Appliances” category in addition to the Sustainable Business Awards in 2023.

Compliance with New Regulations

Vestel Beyaz Eşya carries on development activities for products with higher technical standards and in compliance with the new legislative requirements that will soon come into force in different markets. In this way, it is aimed to offer consumers new technology products with low environmental impact at affordable costs. Vestel Beyaz Eşya also conducts R&D activities to reduce the material usage and develop recyclable material technologies, and develops design solutions that minimize the need for service throughout the life cycle of its products.

In line with the 2030 targets set by the European Union, Vestel Beyaz Eşya has completed product design and production transitions in line with the new energy class regulation defined by the European Union for the post-2021 period in the wet and cold product groups, and made washing machines in the highest energy efficiency class and dishwashers in the A-B energy class ready for mass production. In addition, the Company focused on developing products in the A energy class in the refrigerator product group.

By the end of 2023, Vestel Beyaz Eşya stopped the production of F class products, the lowest energy efficient class for these product groups, and started the production of more efficient classes. The Company has completed the design and productization phases by researching technological solutions that prevent the mixing of microplastics from washing machines into seawater, a priority for the European Union, and launched these products on the market.

VESTEL

BlindLook

Vestel launched its collaboration with BlindLook, a 100% voice-oriented application, with the vision of creating a more accessible and equal world for everyone.

In addition to the European market, design and adaptation studies for products for the American, Middle East and African markets have been completed in accordance with the new energy efficiency regulations that came into effect in 2023. Furthermore, product development activities in the heating and air conditioning product groups (cookers, ovens, air conditioners, dryers, etc.) in line with the new energy regulations that will come into effect in 2025 are also ongoing.

The Company also conducts alternative material studies for chemicals that are planned to be prohibited or restricted in the near future, and investigates the safety and performance effects of these alternative materials on Vestel products. Meanwhile, instead of the fluorinated gas refrigerant used in refrigerators, dryers and air conditioners, the Company continues to work on a new refrigerant with lower global warming potential and higher energy efficiency.

Products and Services for Persons with Disabilities

As a company that values the needs of blind consumers, Vestel launched its collaboration with BlindLook, a 100% voice-oriented application, with the vision of creating a more accessible and equal world for everyone. With the audio world developed by BlindLook, visually impaired people can access Vestel products, services and vestel.com.tr without any obstacles.

Visually impaired users can benefit from all services and products integrated into the application with Audio Simulation technology. All functions of products are recorded on the application, and users are guided simultaneously by voice. Having become a part of a new solution with this inclusive service, Vestel has become one of the brands holding the EyeBrand Certificate.

Accessible Authorized Service Providers

Vestel Customer Services opened Türkiye's first Accessible Authorized Service Provider in Istanbul, Avclar in 2018, and strives to ensure that all authorized service providers throughout the country are "Accessible Service Providers." There are arrangements made at accessible authorized service providers, such as front door entrance ramp, accessible toilets and sinks, yellow direction lines for the visually impaired, a customer representative who knows sign language for the hearing impaired, and direction signs. Authorized service providers are granted the title of three-star, two-star and one-star Accessible Authorized Service Provider depending on the criteria of accessibility they fulfill. Accordingly, a total of 106 Vestel Authorized After-sales Service Centers have been qualified as Accessible Authorized After-sales Service Providers, with 10 authorized services in the three-star category, 30 authorized services in the two-star category and 66 authorized services in the one-star category. As of 2023, each new authorized service provider will start providing services at least at the one-star level.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel Beyaz Eşya ensures that all its smart products and digital services are coordinated through the IoT and Digital Strategy Department.



In 2023, 36% of domestic home appliances sales consisted of smart products.

SMART AND CONNECTED PRODUCTS

As digitalization becomes a part of everyday life, its use in products is increasing. This accelerates the development of smart and internet-connected technologies and increases their acceptance and demand levels. The focus of key consumer expectations in this area has created an opportunity for smart cities, smart homes, smart devices and new models based on these technologies. In order to closely monitor new opportunities and to increase Vestel's influence in creating these opportunities, the Company joined the Home Connectivity Alliance (HCA), which is co-founded by technology giants, at the Board of Directors level, and the Connectivity Standards Alliance (CSA) as a participating member. Thanks to the new roles it has assumed, Vestel aims to carry forward the cooperations initiated with

technology companies such as Amazon, Google and Innit. In addition, all of Vestel Beyaz Eşya's smart products and digital services are coordinated by the IoT and Digital Strategy Department.

Vestel Customer Services informs customers via all signals received from the product and stands by them whenever necessary in order to improve the user experience with smart products. With a more flexible and agile structure, data from smart products can be used to create records at authorized services without the need for the customer to notice the problem, and user habits can be predicted thanks to the data received from the product. Based on this data, Vestel continues to develop user-specific product protection measures, usage tips and maintenance information mechanisms.



VeeZy Life

The services for controlling smart products through the VeeZy mobile application have been combined with VeeZy Life to create the Smart Life mobile application. All digital services offered in this area have been consolidated under a single heading within the VeeZy Life tab. Here, consumers can keep up with the advantages of the digitalizing world and easily benefit from these advantages.

The Digitalized After-Sales Support feature of the VeeZy mobile application provides after-sales support to end-users. With this digital service, technicians can identify the issue before going to the customer's home, thus accelerating the solution and increasing customer satisfaction.

VeeZy Energy Management provides various capabilities such as tracking the energy consumption of smart products, offering energy-saving recommendations, comparing consumption with previous months, setting upper limits for energy usage, and observing its impact on the electricity bill.



Artificial Intelligence (AI) Projects

Through its mobile applications, Vestel strives to make the lives of end users more convenient, while at the same time working to add artificial intelligence services that create value through digitalization to its services and integrating artificial intelligence technology into its internal projects.

veeChef: Developed for gastronomy enthusiasts, veeChef, the Recipe and Food Assistant, aims to enrich the gastronomic experience of everyone around the world. This service, which is powered by AI, offers users recipes and cooking suggestions based on the ingredients they have on hand.

veeAssist: Developed to increase the effectiveness of user manuals that collect all product-related information, the veeAssist AI-based digital service aims to interact with end users and respond to their needs in a concise manner. During this process, natural language processing technology is used to provide easy access and use of the user manuals.

Connectivity Standards Alliance and Matter Working Group

Under the Connectivity Standard Alliance (CSA), Vestel is part of more than 600 global companies focused on setting universal standards for smart home technologies and the Internet of Things (IoT). In 2022, CSA announced its first "Matter" specifications to establish global safety and reliability standards, facilitating the harmonization of devices from different brands.

Vestel accelerated its efforts to become an important part of the Matter ecosystem by participating in the Seoul and Geneva events in 2023. Matter provides seamless communication between different brands and types of smart devices, allowing users to freely choose and combine their devices. Thus, it makes IoT technology in homes more efficient and user-friendly.

Vestel's multidisciplinary teamwork carried out for Matter-supported products continues at full speed and it is planned to launch these products in 2024. Matter Supported Vestel products not only enable users to control Vestel products from different smart home platforms, but also provide the opportunity to utilize Vestel solutions to control other products of other companies. Users can manage devices of different brands together in their homes.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

In its production facilities, Vestel Beyaz Eşya designs and offers products that comply with national and international standards.

QUALITY AND PRODUCT SAFETY

Vestel Beyaz Eşya continuously reviews and optimizes its production processes in line with its goal of providing consumers with accessible, high quality and safe products. The Company works to design products that comply with national and international standards, meet customer expectations, and deliver products that adhere to the standards determined through internal evaluations.

Quality Management

In its production facilities, Vestel Beyaz Eşya designs and offers products that comply with national and international standards, respond to customer expectations, and comply with the standards the Company has established as a result of its internal evaluations. Products and production processes are regularly tested to ensure product safety and quality. Risks and opportunities that may affect the quality of the product are identified and necessary measures are taken and monitored. ISO 9001 Quality Management System guides Vestel Beyaz Eşya to act in compliance with quality standards in all its processes. Vestel Beyaz Eşya Quality Policy is available [here](#).

All procedures, instructions, and quality plans required to ensure the effectiveness of Quality Management Systems are monitored through an online documentation system and updated regularly. Monthly statistical reports, meeting minutes, evaluations comparing achievements with goals, internal audit results, and corrective actions are regularly monitored through this system in order to achieve the goals of producing high-quality products.

In terms of product quality, products are controlled in compliance with international standards and tested in the factory with the necessary test equipment. Electrical safety tests of the products are conducted continuously by arranging them according to a specified sample rate within the production lines, ensuring that serial productions are constantly monitored. No product has been recalled or withdrawn from the market in the last three years for quality and safety reasons.

Quality Day events are organized to raise employee awareness. In order to foster the adoption and improvement of quality standards within the organization, all newly hired employees receive training on quality.

Chemicals Management

Based on its sensitivity on quality and product safety, Vestel Beyaz Eşya expects suppliers to produce according to certain criteria. Vestel Beyaz Eşya avoids using materials and substances that may damage the environment and human health, and expects the same approach from its suppliers.

Depending on the product groups supplied, the documents required from suppliers are varied. The Company regularly reviews the updated Restricted Materials List it publishes and requests the suppliers to comply with it in full.



In 2023, approximately 5,000 products out of various product groups such as major household appliances, TVs, satellite receivers, lighting, information technology products, batteries, small domestic appliances and AC/DC electric vehicle charging devices were approved in the laboratory.

Suppliers are required to have a test report showing compliance with the European Union's Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive, compliance with the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), battery test reports from accredited organizations, and declarations and test reports stating that they do not use harmful chemicals on the Substances of Very High Concern List (SVHC). Suppliers are informed about Regulation No. 30105 on Registration, Evaluation, Authorization, and Restriction of Chemicals (KKDK) prepared by the Ministry of Environment and Urbanization of the Republic of Türkiye within the scope of harmonization with the European Union REACH Regulation, and the suppliers covered by the Regulation are required to complete the registration process.

Vestel Beyaz Eşya regularly informs employees about product quality and safety, and aims to raise their awareness through trainings. In 2022, the Company provided a total of 15,768 person x hours of quality and product safety training to 3,083 people.

Product Safety Tests

All product groups manufactured by Vestel or sold through outsourcing can be tested at Vestel Product Safety Laboratory. Through the studies in the laboratory, products are checked against all risks that threaten human life such as electric shock, fire, overturning, overheating or explosion in the field in line with international standards. The Product Safety Laboratory is accredited by TÜRKAK (Turkish Accreditation Agency) in accordance with ISO 17025 standard and authorized by independent approval bodies such as Verband der Elektrotechnik (VDE), Technischer Überwachungsverein (TÜV), INTERTEK and DEKRA. The laboratory also offers external services in line with its adequate infrastructure, experience, and accreditation.

In 2023, approximately 5,000 products out of various product groups such as major household appliances, TVs, satellite receivers, lighting, information technology products, batteries, small domestic appliances and AC/DC electric vehicle charging devices were approved in the laboratory. The engineers working in the laboratory also play a role in the establishment of international standards and offer training in institutions such as the Turkish Standards Institution (TSE) and Information Technologies and Communications Authority (BTK) by leveraging the experience they have gained in standards within the accreditation work. Detailed information about all laboratories is available [here](#).

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel Customer Services operates under ISO 10002 Customer Satisfaction Management System and TS EN ISO 18295-1 Customer Communication Centers System.

CUSTOMER EXPERIENCE

Vestel Beyaz Eşya aims to continuously increase customer satisfaction and loyalty, and offers personalized and uninterrupted service through digital and smart solutions. The Company serves more than approximately 1 million individual customers across the country and more than 1,200 corporate customers annually and focuses on continuously improving its services. International standards are taken into consideration in customer management processes, and Vestel Customer Services operates within the framework of the ISO 10002 Customer Satisfaction Management System and TS EN ISO 18295-1 Customer Contact Centers System.

It is crucial to monitor performance in order to boost customer satisfaction and loyalty. In this context, customer satisfaction is monthly measured within a group of customers who regularly receive repair and installation services from Vestel and is reported quarterly. The Company's goal is to improve its performance on scores up to 90 and maintain satisfaction and loyalty levels on scores in the range of 90-100. In addition, the number of complaints submitted to Vestel Customer Services decreased by 3.5% year-on-year. All complaints are aimed to be resolved within seven days. Vestel Customer Satisfaction Policy is available [here](#).

	2020	2021	2022	2023
Customer satisfaction	86	88	89	89
Customer loyalty	87	90	89	90
Number of customers responding to the satisfaction and loyalty survey	933	2,309	3,199	2,964
VStar* Customer satisfaction				96
Number of customers participating in VStar* Customer satisfaction survey				588,545

*VStar is a satisfaction survey which is sent to Vestel's customers via SMS to their cell phones following the services they receive. This practice was implemented after 2022.



Vestel prioritizes keeping the customer experience at the highest level while offering consumers convenient, accessible, and high-quality products.

Dealer and Distributor Network

Vestel has 1,363 Vestel stores, 1,235 Regal outlets and 10 Finlux distributors across Türkiye. Vestel focuses on increasing the retail sales of dealers and supports them with the local management budget. This support is provided in three main areas: store-oriented product selection, store turnover targets, and communication support. These activities aim to boost store traffic, brand recognition and retail sales. Communication activities and campaigns are organized under "Focus Province" to boost sales at dealers within selected provinces.

Trainings and mentoring discussions for dealers continued in 2023 through ongoing and newly launched programs. The online and physical trainings provided 3,535 person x hours of training to 1,497 people at 290 different Vestel and 30 different Regal dealers. Additionally, through vpa.com.tr, a total of 1,295 individuals were reached from 635 different dealers. Detailed information regarding trainings can be found in the [Employees](#) section.

STORE EXPERIENCE

Vestel prioritizes keeping the customer experience at the highest level while offering consumers convenient, accessible, and high-quality products. In order to improve the customer experience, the Company closely monitors the demands, expectations and needs of consumers. Vestel focuses on effectively determining consumer preferences and habits using user experience research methodologies such as A/B testing.

Next Generation Retailing Approach: Vestel Express

In 2020, Vestel launched the Vestel Express store concept, a small-square-meter Vestel Express store with a digital display application, offering customers a shopping experience on digital screens and applications such as fast delivery, improving and differentiating the customer experience. Under the next generation Vestel Ekspres Store concept introduced in various cities, especially in Istanbul, Izmir, Bolu, Bursa and Antalya, the evolving shopping habits are responded, the online purchasing experience is blended with physical retail, consumers are offered opportunities such as instantly finding the product they want, fast comparison and same day delivery and installation. Vestel Ekspres stores aim to further enhance the consumer experience by developing special digital applications in line with new generation retailing. As of the end of 2023, there are 187 Vestel Ekspres stores.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel works towards its goal of boosting online sales to 25% in Türkiye by 2030.



Vestel My Project Partner offers professional and most appropriate solutions to all needs in public and private sector projects, starting from the design phase.

A Brand New Store Concept: Kafe Vesto

Kafe Vesto establishments, combining cafe and store concepts, have been implemented to enhance the in-store experience for customers. Vestel stores located in Beşiktaş, Zorlu Center, and Levent 199 in Istanbul, Karşıyaka and Alsancak in Izmir, and Osmangazi in Bursa are designed with a cafe concept. Kafe Vesto establishments not only offer customers an enjoyable time but also provide them with the opportunity to familiarize themselves with Vestel products and discover new tastes.

Vestel My Project Partner

Developed with the aim of offering result-oriented and effective solutions to customers, Vestel My Project Partner was formed by bringing together LED Lighting, Air-Conditioning, Hotel & Construction Projects, Digital Solutions and Public Sales Departments under a single roof. Vestel My Project Partner offers professional and most appropriate solutions to all needs in public and private sector projects, starting from the design phase. To this end, corporate clients' needs, demands and current challenges are identified and analyzed to design customized products accordingly.

E-commerce

As a result of changing consumer habits and rapidly increasing digitalization, the e-commerce sector continues to grow worldwide. In the first six months of 2023, the e-commerce volume in Türkiye reached TL 652.7 billion, representing a 110% increase compared to the same period in the previous year. E-commerce is driving significant changes in retailers' strategies, with many retail companies starting to create an omni-channel presence and placing as much importance on online platforms as on physical stores. E-commerce platforms, which stand out in customer experience and ease of use, continue to develop in terms of creating benefits for the customer. With this vision, Vestel shapes its services and practices by adopting an integrated retail approach and continues to work to improve the online shopping experience both on its website <https://www.vestel.com.tr/> and in its corporate stores on leading online marketplaces.

Thanks to its cloud-based e-commerce infrastructure, Vestel meets technical needs more effectively by centralizing online customer data and aims to combine its services under a secure shopping platform. Through an integrated retail approach and a multi-channel strategy, customers are offered a comprehensive Vestel experience, ensuring continuous improvement of the customer journey. The e-commerce infrastructure has been strengthened for secure shopping through the **Trust Stamp**, **ETBİS QR code**, and the completed **Security Test Report**.

Vestel contributes to the development of the retail sector in Türkiye with the innovations it has introduced to the sector and offers a new perspective to online shopping. Vestel grants the title of **Authorized Online Dealer** to dealers who comply with specified criteria, thereby allowing consumers to shop with the assurance of Vestel. Furthermore, Vestel standards are maintained through the sales and after-sales services provided. Continuing to strengthen and develop its Online Ecosystem with a customer-oriented approach, Vestel distinguishes itself from its competitors in the sector with the Authorized Online Dealers project, supports its dealers in online sales channels with an integrated retail approach, and continues to improve customer experience, offer secure shopping and privileged services in all channels preferred by consumers.

In a world where consumers need more flexible options, Vestel diversifies its services to stand by consumers at every step of the customer journey through both online and physical stores. In addition to being able to access the product they want on the website, consumers can see which store stocks the product they are interested in with the **Find Stock** service. Via the e-appointment service, customers can choose the time they want for the delivery and installation of their orders. With detailed shipment tracking, it is possible to access all steps of the orders from the website to delivery. Products that do not require installation can be returned from the corporate store, even if they are purchased online. If a return request is created on the website, the products to be returned through the authorized service providers are received from the customers' door.

It is ensured that the orders placed through online channels are delivered and installed within 24 hours by referring them to the store which is the closest to and the most



appropriate for the consumer thanks to Vestel's smart order algorithm and wide network of dealers and service providers. Called **Delivery in 24 Hours**, this practice allows for delivering products to consumers in a fast and safe way.

The Live Store service allows consumers to make video calls with corporate store sales specialists, see products and get information about products, bringing the physical store experience as close as a click of a button.

The See at Home project, which utilizes **Augmented Reality (AR)** technology, enables customers to see the products they wish to purchase as if they were placed at their home. Thanks to the 360-degree visuals of the products, consumers can both examine the products in full detail and experience in advance how they will look in the area they want to position them in their homes.

Vestel has implemented an AI assistant through the **Vestel Digital Assistant** project, providing customers with 24/7 support before, during, and after sales. Vestel Assistant is designed and developed to provide information and services at every step of the customer journey, and it is continuously improved accordingly. Vestel supports redirecting human resources towards more value-added tasks through the use of technology.

With **Live Chat Support**, customers can directly communicate with product consultants and submit their opinions and requests to Customer Service live via WhatsApp, Telegram and other support channels.

Through the **My Digital File** service, vestel.com.tr members are able to find all the information regarding the products they have purchased, such as remaining warranty periods, user manuals, invoice information, shipping status, serial numbers, etc., on a single platform.

The portal "**There Is a Solution for Everything Here**" (Self-Service Customer Support Portal) contains all information and solution contents about the products offered to customers. **Çözümüvar**, the Digital Vestel Customer Services, aims to improve the digital experience offered to consumers. Thanks to the portal, users can sort out product malfunctions by following the content steps without the need for a technician, examine the product features and purchase them through a link to vestel.com.tr. In addition, they can access information and solution content without the need for a call center representative, create repair and installation related requests, benefit from services such as additional warranty, maintenance and spare parts request, and make the discovery process required before purchasing an air-conditioner without the need for an authorized service provider.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

ADDITIONAL DISCLOSURES MADE WITHIN THE SCOPE OF THE REGULATION ON THE DETERMINATION OF THE MINIMUM CONTENT OF ANNUAL REPORT OF COMPANIES DATED 28.08.2012 AND NUMBERED 28395

GENERAL INFORMATION	
Reporting Period:	01.01.2023 - 31.12.2023
Legal Name:	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ
Trade Registry Information:	Istanbul Trade Registry Office, No: 380814
Registered Capital Ceiling:	TL 2,000,000,000
Paid-in/Issued Capital:	TL 1,600,000,000
Contact Information for the Headquarters and Branches:	<p>Head Office Levent 199 Büyükdere Cad. No: 199 34394 Şişli - İSTANBUL / TÜRKİYE Phone: + 90 (212) 456 22 00</p> <p>Branch Organized Industrial Zone, 45030, MANİSA / TÜRKİYE Phone: +90 (236) 233 01 31</p>
Company Website:	www.vestel.com.tr
Investor Relations Website:	http://vesbe.vestelinvestorrelations.com

Shareholding Structure and Capital Distribution

As of 31.12.2023, the Company's shareholding structure is as follows:

Shareholders	Nominal Value of Shares (TL)	Share in Capital (%)
Vestel Elektronik Sanayi ve Ticaret AŞ	1,237,302,236	77.33
Other (Free Float)	362,697,764	22.67
Total	1,600,000,000	100.0

Vestel Elektronik's stake in Vestel Beyaz Eşya declined from 80.66% to 77.33% following the block share sales to institutional investors on Borsa Istanbul in 2023.

Privileged Shares and Voting Rights of Shares

There are no privileged shares in the Company.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

THE BOARD OF DIRECTORS

The members of the Board of Directors are elected by the General Assembly in accordance with the provisions of the Company's Articles of Association pursuant to the Turkish Commercial Code and relevant regulations. In the event of a vacancy in the Board of Directors, a new member shall be appointed to the vacant position by the Board of Directors in accordance with the Articles of Association and the relevant provisions of the Turkish Commercial Code. If the vacant position is for an independent member of the Board, the appointment shall be made in accordance with the regulations of the Capital Markets Board. The approval of the shareholders for the newly appointed member shall be obtained at the first General Meeting of Shareholders. The member approved by the General Assembly shall complete the term of office of his/her predecessor.

The Board members elected at the 2022 Annual General Meeting held on 31 May 2023, who have executed their duty during the period, and their tenure are listed in the table below.

Member	Duty	Term of Office		Other Positions Held Within Zorlu Group	Positions Held Outside the Zorlu Group	Status	Board Membership in Other Publicly Listed Companies
		Beginning Date	Ending Date				
Ahmet Nazif Zorlu	Chairman	May 31, 2023	Until 2023 Annual General Meeting	Chairman and Vice Chairman at Zorlu Group Companies	-	Non-executive	Vestel Elektronik Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ
Elmas Melih Araz	Vice Chairman	May 31, 2023	Until 2023 Annual General Meeting	Board Member at Vestel Elektronik Sanayi ve Ticaret AŞ	Board Member at Ata Gayrimenkul Yatırım Ortaklığı AŞ, Ata Yatırım Menkul Kıymetler AŞ, TFI Gıda Yatırımları AŞ, Burger King China JV Ltd. İzmir Enternasyonal Otelcilik AŞ and Entegre Harç Sanayi ve Ticaret AŞ	Independent	Vestel Elektronik Sanayi ve Ticaret AŞ, Ata Gayrimenkul Yatırım Ortaklığı, Ata Yatırım Menkul Kıymetler AŞ
Olgun Zorlu	Board Member	May 31, 2023	Until 2023 Annual General Meeting	Board Member at Zorlu Group Companies	-	Non-executive	Vestel Elektronik Sanayi ve Ticaret AŞ
Bekir Cem Köksal	Board Member	May 31, 2023	Until 2023 Annual General Meeting	Board Member at Zorlu Group Companies	-	Executive	Vestel Elektronik Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ
Ömer Yüngül	Board Member	May 31, 2023	Until 2023 Annual General Meeting	Board Member at Zorlu Group Companies	-	Executive	Vestel Elektronik Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ
Bekir Ağırır	Board Member	May 31, 2023	Until 2023 Annual General Meeting	Vice Chairman at Zorlu Enerji Elektrik Üretim AŞ and Board Member at Vestel Elektronik Sanayi ve Ticaret AŞ	Board Member at KONDA Araştırma ve Danışmanlık Limited Şirketi, Anadolu Efes Biraçılık ve Malt Sanayii AŞ and Migros Ticaret AŞ	Independent	Vestel Elektronik Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ, Anadolu Efes Biraçılık ve Malt Sanayii AŞ, Migros Ticaret AŞ
Ayşegül İldeniz	Board Member	May 31, 2023	Until 2023 Annual General Meeting	Board Member at Vestel Beyaz Eşya Sanayi ve Ticaret AŞ and Zorlu Enerji Elektrik Üretim AŞ	COO at Silver Spring Networks and Board Member at Doğan Şirketler Grubu Holding AŞ and Pegasus Hava Taşımacılığı AŞ	Independent	Vestel Elektronik Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ, Doğan Şirketler Grubu Holding AŞ, Pegasus Hava Taşımacılığı AŞ

Changes in the Board of Directors in the Reporting Period

There has been no change in the Board of Directors elected at the Annual General Meeting during the year.

Duties and Authorities of the Members of the Board of Directors

The Chairman and the members of the Board of Directors have the duties and the authorities set forth in the relevant articles of the Turkish Commercial Code and the Company's Articles of Association.

Number of Board Meetings Held During the Year and the Attendance Rate of Board Members

Board of Directors convened 12 times in 2023. The Board meetings were held in person in 2023 while online participation has been provided for members with excuses. The members of the Board of Directors attended the meetings to a large extent regularly and the average attendance rate to the meetings has been 94%.

Senior Management

Name Surname	Job Title
Ergün Güler	Chairman of the Executive Committee
Bekir Cem Köksal	Executive Committee Member
Necmi Kavuşturan	Executive Committee Member
Hasan Uğur	General Manager
Alp Dayı	Chief Financial Officer of Vestel Group of Companies
Hasan Emre Şafak	Deputy General Manager in Charge of the Refrigerator Plants
Serkan Balcı	Deputy General Manager in Charge of the Washing Machine Plants
Özgün Döşemeciler	Deputy General Manager in Charge of the Dishwasher Plant
Mehmet Yavuz	Deputy General Manager in Charge of the Cooking Appliances Plant
Caner Yıldız	Deputy General Manager in Charge of the Air Conditioner and Water Heater Plant
Funda Kuru	Deputy General Manager in Charge of the Tumble Dryer Plant
Evren Bal	Deputy General Manager of Purchasing
Turgay Büyük	Deputy General Manager of Central R&D

Changes in the Senior Management During the Year

Mr. Enis Turan Erdoğan, the CEO of Group of Companies, retired as August 31, 2023 and Mr. Ergün Güler, who has been serving as the General Manager Responsible for Domestic Sales and Marketing at Vestel Ticaret AŞ, was named the new CEO as of September 1, 2023.

Mr. Erdal Haspolat, the General Manager of Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, resigned as of August 31, 2023 and Mr. Hasan Uğur, who has been serving as Deputy General Manager Responsible for the Refrigerator Plants, became the new General Manager as of September 1, 2023.

Hasan Emre Şafak, who has been serving as the Deputy General Manager in Charge of the Tumble Dryer Plant, was appointed as the Deputy General Manager in Charge of the Refrigerator Plants as of October 1, 2023. He was succeeded by Ms. Funda Kuru, who has been serving as R&D Manager at the Tumble Dryer Plant, as of the same date.

Özgür Yılmaz, who has been serving as the Deputy General Manager in Charge of Purchasing, was appointed as the Deputy General Manager Responsible for Customer Services as of October 1, 2023. He was succeeded by Mr. Evren Bal, who has been serving as the Component Purchasing Manager, as of the same date.

Caner Yıldız was appointed as the Deputy General Manager in Charge of the Air Conditioner and Water Heater Plant as of December 1, 2023.

Number of Employees

As of 31.12.2023, Vestel Beyaz Eşya has 9,171 employees.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

Information on the Transactions of the Members of the Board of Directors with the Company on Behalf of Themselves or Others and Their Activities within the Scope of Non-competition

At the Annual General Meeting held on May 31, 2023, the members of the Board of Directors were granted permission to transact within the framework of the Articles 395 and 396 of the Turkish Commercial Code for the year 2023.

Personnel and Labor Movements and Collective Bargaining Practices and the Rights and Benefits provided to Employees

The Company does not employ any personnel working under the Collective Bargaining Agreement. All employee rights and interests are protected and overseen under the Labour Law No. 4857. The Company signed a collective bargaining agreement with Türk Metal Union on January 30, 2024.

Amendments to the Articles of Association

No changes were made to the Company's Articles of Association during the reporting period.

COMPENSATION AND MONETARY BENEFITS PROVIDED TO BOARD MEMBERS AND SENIOR MANAGERS

At the Company's 2022 Annual General Meeting held on May 31, 2023, the decision was taken to pay a net annual fee of TL 60,000 per month to each independent Board member and not to make any payment to other Board members for the year 2023.

In the twelve-month period ending on 31.12.2023, the total compensation and monetary benefits provided to the members of the Board of Directors and senior executives amounted to TL 45,313 ths. in total.

ACTIVITIES OF THE COMPANY AND IMPORTANT DEVELOPMENTS REGARDING THE ACTIVITIES

Capacity and Production

Plants	Plant Enclosed Area (m ²)
Refrigerator	148,916
Washing Machine and Tumble Dryer	66,301
Cooking Appliances	64,454
Washing Machine	42,327
Dishwasher	98,724
Air Conditioner	18,331
Warehouse	66,608
Kitchen	2,884
Total	508,545

Vestel Beyaz Eşya's capacity utilization rate was 76% in 2023 (2022 CUR: 81%). As part of the ongoing capacity expansion program, the construction of the new dishwasher plant and installation of the new production lines were completed in 2023. The process for the installation and commissioning of the lines transferred from the old dishwasher plant was also completed as of April 1, 2024. Thus, all the first-phase investments within the scope of the capacity expansion program, which was initiated in 2021, have been completed and the Company's total production capacity has increased by 29% compared to the end of 2020.

Production

The Company's production quantities decreased by 2% yoy in 2023.

Sales

Vestel Beyaz Eşya recorded TL 61,350,782 ths. of inflation adjusted gross sales revenues in 2023, of which TL 43,107,795 ths. comprised of export revenues. 49% of the total sales revenues were generated from sales to European countries, 30% from domestic market and 21% from sales to other countries.

Net sales revenues grew by 2.5% in real terms while unit sales decreased by 2% in 2023 compared to the previous year.

Investments and Investment Incentives

The Company's total capital expenditures amounted to TL 4,055,726 ths. (USD 138 million) in 2023 according to financial statements adjusted for inflation. Of total investment spending, 41% were for building construction, 25% for machinery and equipment purchases, 19% for mold investments and 11% for research and development activities.

Information on Direct and Indirect Subsidiaries and Ownership Interests

The Company does not have any directly or indirectly owned subsidiary.

Information on the Company's Acquisition of its Own Shares

The Company did not acquire its own shares in 2023.

Information on Special Audit and Public Audit

Within the framework of the regulations of the Capital Markets Board regarding financial reporting and independent audit, the Company's semi-annual and yearly financial statements are audited by an independent audit firm.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ was selected as the independent auditor for auditing the Company's accounts and transactions for the year 2023 in accordance with the Capital Market Law, the Turkish Commercial Code and the related legislation, in the Annual General Meeting held on May 31, 2023.

Information on Legal Action Taken Against the Company which Could Affect the Company's Financial Status and Activities and the Possible Consequences of Such Legal Action

No material lawsuit, which could affect the financial status and activities of the Company, was filed against the Company in 2023.

Administrative or Judicial Sanctions Imposed Against the Company or the Board Members due to Practices Violating the Legislation

There is no administrative or judicial sanction applied against the Company or the members of the Board of Directors.

General Meetings of Shareholders

The decisions taken in the Company's Annual General Meeting held on May 31, 2023 were implemented.

No extraordinary General Shareholders' Meeting was held during the year.

Donations and Social Responsibility Projects

In 2023, the total donations made in line with the Company's Donation and Charity Policy amounted to TL 83,283,745.

Conclusion Section of the Affiliation Report Prepared Pursuant to the Article 199 of the Turkish Commercial Code

In accordance with the provisions of the Turkish Commercial Code (TCC), Vestel Beyaz Eşya was an affiliated company of Zorlu Holding AŞ during the fiscal year 2023. Pursuant to the Article 199 of the Turkish Commercial Code, Vestel Beyaz Eşya's Board of Directors issued the following declaration in its affiliation report, which was prepared regarding the Company's relationship with the controlling company or an affiliated company of the controlling company:

"Our Company's legal actions taken with the controlling company, or the companies affiliated to the controlling company for the benefit of the controlling company, or a company affiliated to it under the direction of the controlling company and any and all measures taken or avoided in favor of the controlling company, or a company affiliated to it in the 2023 operating year were evaluated based on the circumstances and conditions known to us. As a result of this evaluation, we declare that in all transactions in the 2023 operating year, an appropriate remuneration was received by our Company in accordance with the circumstances and conditions known to us, and that there was no measure taken or avoided that could harm the Company."

Information on Transactions

No transaction was taken within this scope.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

FINANCIAL POSITION

Determination of the Adequacy of the Company's Capital and Assessment of the Board of Directors

The Company has neither suffered capital impairment nor is insolvent within the scope of the calculation performed by taking into account the ratios specified in Article 376 of the Turkish Commercial Code.

Information on Capital Market Instruments Issued

The information on the Company's debt instruments issued to domestic qualified investors is presented in the table below.

ISIN Code	Issuance Date	Term (Days)	Maturity	Nominal Value (TL)	Type of Interest Rate	Interest Rate (%)	Coupon Payments	Principal Payment
TRSVEST92410	25.08.2023	390	18.09.2024	50,000,000	Floating	The greater of 38% and TLREF* + 2.5% (BIST TLREF Index Change + 250 Basis Points Additional Yield)	Quarterly	At maturity
TRFVEST22414	01.09.2023	173	21.02.2024	390,000,000	Fixed	Annual simple interest of 42%	At maturity	At maturity
TRSVEST92428	01.09.2023	383	18.09.2024	260,000,000	Fixed	The greater of 45% and TLREF* + 2.5% (BIST TLREF Index Change + 250 Basis Points Additional Yield)	Quarterly	At maturity

*TLREF: Turkish Lira Overnight Reference Rate

Corporate Credit Rating

JCR Eurasia Rating - Long-Term National Issuer Credit Rating/Outlook	AA+ (tr)/Stable
JCR Eurasia Rating - Long Term International Foreign and Local Currency Issuer Credit Ratings/Outlooks	BB/Negative

On 29 March 2023, JCR Eurasia Rating, has evaluated "Vestel Beyaz Eşya Sanayi ve Ticaret AŞ" in the high investment-level category and affirmed its Long-Term National Issuer Credit Rating as 'AA+ (tr)' and the Short-Term National Issuer Credit Rating as 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign Currency and Local Currency Issuer Credit Ratings and Outlooks were assigned as 'BB/Negative' in parallel to international ratings and outlooks of the Republic of Türkiye.

Dividend Distribution Policy

The Company distributes profit in accordance with the provisions of the Turkish Commercial Code, Capital Market Regulations, Tax Regulations and other pertinent legislation as well as the profit distribution provision of its Articles of Association. The amount of profit to be distributed and date of distribution are approved by the General Assembly, upon the proposal of the Board of Directors.

Vestel Beyaz Eşya has adopted dividend distribution policy of distributing at least 25% of its distributable profit in cash and/or as bonus shares. Board of Directors shall review this policy every year, by taking into account the domestic and global economic conditions, the Company's growth and investment plans and financial position. Revisions made in the policy shall be submitted to the approval of shareholders at the first General Assembly meeting following such revisions and the revised policy will be published on the Company's web site.

Distribution of profit shall commence on the date determined by the General Assembly, provided that it is no later than the end of the year in which the General Assembly meeting is held. Subject to the provisions of the legislation in force, the Company may consider distributing advance dividends or paying dividends in equal or varying installments.

The Board of Directors' proposal for dividend distribution has been accepted at the Company's 2022 Annual General Meeting held on 31 May 2023 and dividend distribution was completed on July 31, 2023.

OTHER MATTERS

Information on Conflicts of Interest between the Company and the Institutions from which the Company Obtains Investment Consultancy, Rating and Similar Services, and the Measures Taken to Prevent such Conflicts of Interest

None.

Information on Legislative Changes that may Significantly Affect the Company's Activities

There were no legislative changes in 2023 that could significantly affect the Company's activities.

Information on Cross-Shareholdings where Direct Participation in Share Capital exceeds 5%

None.

Required Information on Related Party Transactions and Balances

The required information on the Company's transactions with related parties is provided in the footnotes of the financial statements dated December 31, 2023.

CORPORATE GOVERNANCE

RISKS AND ASSESSMENT OF THE BOARD OF DIRECTORS

Risk Management

The enterprise risk management function at the Vestel Group of Companies is carried out through a centrally coordinated structure within Zorlu Holding, as is the case at Zorlu Group Companies.

The "Enterprise Risk Management Policy," in which the Group emphasizes the importance it attaches to enterprise risk management, the purpose, duties, and authorities of the Enterprise Risk Management Department, its working methods, and the duties of all employees, especially the executives of the Group, in this respect are outlined in the "Enterprise Risk Management Regulation," and the relevant documents have been published on company portals.

As of 2023, the Holding's Enterprise Risk Management Department continues its activities with a Deputy General Manager reporting to the Holding's General Directorate of Internal Control and Enterprise Risk Management with the aim of early identification of risks that may jeopardize the existence, development, and continuity of Vestel Group of Companies, implementing the necessary measures against identified risks and managing risks in a centrally organized structure.

While evaluating threats and opportunities, Vestel Group of Companies' Enterprise Risk Management (ERM) approach emphasizes the importance of ensuring that all management personnel always take into account strategic goals and values in their decision-making processes. In this context, it is aimed to integrate enterprise risk management into the strategies and corporate culture of Group companies, to take it into account at every stage, from strategic management decisions to the execution of daily operations, to approach risks from the perspective of threats and opportunities as part of the performance of all employees, and thus to contribute to sustainable growth.

With its holistic enterprise risk management approach, Vestel Group of Companies aims to diagnose the potential consequences of situations that may threaten the continuity of the Group's activities, to anticipate events that may create obstacles to achieving its goals, to allocate resources for the measures to be taken by evaluating the risks related to these events, and to develop and maintain a structure that will ensure continuous monitoring of risks. Aware of the importance of identifying non-financial risks as well as financial risks and developing a proactive approach towards them, Vestel Group of Companies gives the management of non-financial assets, such as human, innovation, and environmental capital, an important place in its corporate governance approach. As a critical part of risk management, the Group's risk appetite and tolerance are taken into account and in determining these factors, in addition to financial considerations, the impact on reputation, innovation, sustainability, occupational health and safety, human rights, environment, productivity, employee and customer satisfaction, and the Group's uncompromisable Ethical Principles are also meticulously assessed.

Enterprise Risk Management is a systematic set of processes that affects the management of Vestel Group of Companies and all employees, starting with the Board of Directors. It operates in integration with the strategic planning process, aims to identify, measure, and manage the risks that prevent the Company from achieving its short- and long-term strategic goals within the risk tolerances set by the management, and thereby add value to the Company and its stakeholders.

The Enterprise Risk Management discipline contributes to the establishment of safer decision-making mechanisms with its support, especially for sustainability, better corporate governance, more effective and efficient use of resources, proactive management, and evaluation of opportunities in the management of risks that increase and change in structure with the changing world due to complex organizations, ensuring business continuity, which is increasingly challenging day by day.

The Enterprise Risk Management Model used at the Vestel Group of Companies is summarized below.

Risk Management process is composed of six sub-processes:

1. Enterprise Risk Management Model
2. Risk Assessment
3. Risk Management Strategies
4. Communication and Counseling
5. Monitoring and Review
6. Reporting



The main activities of the companies of the Vestel Group of Companies fall within the scope of enterprise risk management activities. The Enterprise Risk Management Department aims to identify the potential consequences of the situations which threaten the continuity of the Group's activities, to foresee the incidents that may pose barriers to its goals, to allocate resources for the measures that can be taken by evaluating them, and to establish and develop a structure for continuous monitoring of the relevant risks.

Risk Types

Risks are analyzed under the following four groups depending on their content. Risk types can internally overlap (that is, a single risk may be defined by its content within more than one risk type). For example, a compliance risk can also be characterized as a strategic risk. In this sense, the type of risk will be recorded in the organizational risk map based on the predominant aspect in terms of the quality and quantity of the losses to be incurred.

Strategic Risks: Structural risks that may prevent an organization from achieving its short-, medium-, or long-term goals can be classified under this heading. Risks such as planning, business model, market and competition, corporate communication, reputation, and corporate governance are typical examples of strategic risks.

Financial Risks: Financial risks refer to the risks that arise as a result of the organization's financial position and choices. Financial risks primarily include credit, interest rate, and liquidity risks.

Operational Risks: Operational risks refer to risks that may prevent an organization from fulfilling its core business activities. They include some risk items such as natural disasters, business interruptions, procurement, machine breakage/failure.

Compliance Risks: Compliance risks refer to legal sanctions, material financial losses, or reputation losses that the organization may face if it fails to comply with laws, regulations, Zorlu Group Ethical Principles, and good practice standards.

CORPORATE GOVERNANCE

The Early Detection of Risk Committee was established under the Turkish Commercial Code, the Company's Articles of Association, and the Capital Markets Board's Corporate Governance Communiqué for early detection of risks that may jeopardize the existence, development, and continuity of the Company, implementation of the necessary measures about the risks identified, and management of the risks. The Committee continues its efforts to identify threats in advance that may have negative consequences on the continuity and development of the Company, to take action plans against these threats, and to manage risks effectively. The Early Detection of Risk Committee convened 6 times in 2023 to supervise enterprise risk management processes adequately. The Committee submitted its resolutions adopted as a result of its investigations to the Board of Directors.

The Committee prepared the following reports during this period:

- The Results of the 2022 Risk Assessment Survey for Vestel Group of Companies
- Economic and Social Impacts of Earthquakes in Türkiye
- Industry 4.0 and Vestel
- Enterprise Risk Management Roadmap
- Enterprise Risk Management Policy and Procedure
- Developments in Business Continuity Management.

In addition to the actions mentioned above, the purchase of insurance is also used extensively as a risk transfer mechanism. A list of the major insurance policies taken out is provided below.

List of Major Insurances Taken

- Fire, Machinery Breakdown, and Loss of Profit Insurance
- Employers' Liability Insurance
- Executive Liability Insurance
- Professional Indemnity Insurance
- Third Party Liability Insurance
- Product Liability Insurance
- Credit Insurance
- Marine/Cargo Insurance
- Fidelity Guarantee, Cash in Transit and Cash in Safe Insurance
- Hazardous Substances Insurance
- Personal Accident Insurance
- Construction/Installation Insurance

2023 Annual General Meeting

The Information Memorandum for the 2023 Annual General Meeting, which includes the statement of independence of the Independent Board Member candidates, can be accessed via the following link on the Company's website (<http://vesbe.vestelinvestorrelations.com/en/corporate-governance/general-meetings.aspx>).

INTERNAL AUDIT ACTIVITIES AND INTERNAL CONTROL SYSTEM

The Audit Department and Its Activities

As is the case for all Zorlu Group Companies, the internal audit of the Vestel Group of Companies is carried out by the centralized Internal Audit Department structured within Zorlu Holding since 2000. The Internal Audit Department carries out the board approved audit programs in line with the International Internal Audit Standards and legal requirements and shares the results of its audits through both the audit reports prepared after each audit and the annual reports detailing all the audit and control activities conducted throughout the year with the Board of Directors and the Heads of Business Units.

In addition to the Internal Audit Department, Financial Audit and Tax Audit Departments were established in 2011 in order to perform financial audits across all Group companies, which commenced their activities in 2012. In the last quarter of 2013, the Internal Audit and the Financial and Tax Audit Departments were gathered under the umbrella of Zorlu Holding General Directorate of Audit and Internal Control. In accordance with the evolving needs of Zorlu Group, the Tax Audit Department was restructured as Tax Audit Directorate as of December 1, 2015, while the Internal Audit Department was restructured into two distinct directorates, namely the Internal Audit Process Oversight and Internal Audit Inspection Oversight as of January 1, 2016. Following the completion of the organizational restructuring process in the General Directorate of Audit and Internal Control for the execution of internal control activities separately in 2017, the General Directorate of Internal Control began its operations as an independent unit as of January 1, 2018. As of July 1, 2021, an organizational change was made within the General Directorate of Audit. In this context, the tax consultancy function of the Tax Directorate, which performs tax consultancy and audit functions, was transferred to the Office of Chief Financial Officer. The activities of the Internal Audit Process and Internal Audit Review Directorates were consolidated under the umbrella of the Directorate of Internal Audit and Ethics with the addition of the ethics function to their activities as of December 1, 2021.

As of June 1, 2022, the General Directorate of Audit was restructured as the Audit Department, reporting directly to the Zorlu Holding Board of Directors in line with the increasing importance of the audit function due to the restructuring of Zorlu Group's corporate governance systems.

The purpose, authorities and duties as well as the operating principles and structure for the internal audit activities have been defined by a series of board-approved documents circulated across Group companies, such as the "Audit Regulation" and the "Internal Audit Working Principles".

Internal Audit Activities

Process audit activities are carried out in line with a board-approved, risk-based annual audit program to evaluate the effective and efficient use of resources, adherence to written rules (laws, regulations, internal policies and directives), and the accuracy, security and reliability of information.

Prior to each audit, internal auditors meet with senior management for a risk assessment, during which the risks that could jeopardize the company's targets are positioned on a risk matrix based on their potential impact and probability of occurrence. During audit field work, the effectiveness of internal controls for high-impact and high-probability risks are evaluated through tests. The results of the observations are shared with the company management in the form of a draft report, and then a final report, including the feedback of the management, is sent to the senior management. As a result, the department provides consultancy services with reasonable assurance while offering best practices drawing from synergy within the Group. One month after the issuance of the final report, actions taken are reported to the Board of Directors in line with the 4T approach (Treat, Terminate, Transfer, Tolerate).

Internal Audit Department organizes periodic meetings with the Audit Committee throughout the year. In these meetings, participants evaluate planned and actual audits, consultancy activities and special audits and other relevant matters for the year ahead, share findings, review action plans, follow-up results based on these findings, and review plans for the upcoming period.

Zorlu Group supports and encourages Zorlu Group Internal Audit Team, which consists of 15 people, in receiving additional training to improve and enhance their current knowledge, skills and other qualifications, becoming a member of the related associations (e.g. The Institute of Internal Auditors, Turkey - TIA) and obtaining professional international certificates. The Internal Audit team includes 3 CFEs (Certified Fraud Examiner), 1 CRMA (Certification in Risk Management Assurance), 2 CPAs (Certified Public Accountant), 1 CMB Advanced Level Licence and 1 CMB Derivative Instruments License.

CORPORATE GOVERNANCE

Financial Audit and Tax Audit Activities

The Financial Audit and Tax Audit Departments have been carrying out their activities at Zorlu Group companies since 2012. Currently, these departments have 8 and 4 employees, respectively.

These departments ensure that the Group companies' balance sheet and income statement accounts used for financial and tax reporting purposes are in conformity with the uniform chart of accounts, tax legislation and audit standards and provide reasonable assurance to the Board of Directors in these areas. Audit findings are reported to the company executives and senior management.

In addition, the Financial Audit Team reviews the CMB-compliant financial reports of the publicly traded companies of Zorlu Group and shares its comments with the related departments.

The Financial Audit Team includes 4 CPAs (Certified Public Accountant) while the Tax Audit Team includes 3 CPAs.

The General Directorate of Internal Control and Its Activities

The internal control function at the Vestel Group of Companies is carried out in a structure which is centrally coordinated within Zorlu Holding AŞ, as in other Zorlu Group companies. A special field team in the Internal Control Department has been assigned to the Vestel Group of Companies, which has been serving since 2017.

The purpose, duties and authorities and the working principles of the Internal Control Department and the professional and ethical rules to which it adheres, are defined by the documents such as the "Internal Control Regulation" and the "Internal Control Manual", which were shared with the relevant managers.

The mission of the Internal Control Department is to establish and sustain an internal control system to ensure efficient, effective, integrated and consistent risk management at Group companies in line with the pre-set targets, and to share, disseminate and promote "best practices" across companies.

The Internal Control Department assists executives and employees in identifying areas of improvement in existing processes and the internal control system as well as the actions to be taken in this context, implementing the specified actions, and monitoring their progress on a regular basis. In addition, the department provides continuous guidance to executives and process owners with regard to these activities. All relevant managers and employees of the Company contribute to the establishment, operation, monitoring, evaluation, and implementation of necessary measures regarding the internal control system.

The Internal Control Department prepares an annual risk-based internal control work plan to conduct its activities in a systematic, continuous, and disciplined manner. In the preparation of the internal control work plan, risk-based assessments conducted by the Internal Control Department, requests from the Board of Directors, Risk Committee, and management, findings related to internal control identified during audit activities by the Audit Department, and corporate risk maps play significant roles. The annual internal control work plan is submitted for approval and information to the CEO and the Risk Committee.

The internal control activities, which are planned and realized within the year, are evaluated at the periodic meetings held between the Internal Control Department and the management. In these meetings, the findings are shared and the action plans to be taken based on these findings and follow-up results are evaluated and the plans for the upcoming period are reviewed.

The Zorlu Group Internal Control team is supported and encouraged by Zorlu Group to receive further training to enhance their current knowledge and competencies, to take part in relevant professional associations and to obtain professional international certificates such as CIA, SMMM, CISA, CFE, CICA, CRMA, etc.

Opinion of the Board of Directors regarding the Company's Internal Control System and Internal Audit Activities

None.

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, which pays maximum attention to compliance with the Capital Markets Board's ("CMB") "Corporate Governance Principles", initiated corporate governance efforts in 2005. As part of these efforts, in the first stage, a series of amendments were made to the Company's Articles of Association in order to provide shareholders with an egalitarian, accountable, responsible, and transparent structure. With these changes, minority shareholders were granted the rights stipulated in the Corporate Governance Principles, and significant changes were made to the management structure to aim for "better governance". The Corporate Governance practices were continued with the establishment of corporate governance mechanisms within the Company. The effectiveness of the Board of Directors was enhanced with independent members, and the effectiveness of management was aimed to be increased with committees affiliated with the Board of Directors.

Vestel Beyaz Eşya Sanayi ve Ticaret AŞ carries out its activities in compliance with the applicable legislation and the Capital Markets Board's "Corporate Governance Principles". The Company fully complies with all the compulsory principles in the Corporate Governance Principles appended to the CMB's Communiqué on Corporate Governance (II-17.1), and has also adopted the majority of the non-compulsory principles. No conflict of interest has been noted between the stakeholders in relation to the principles that have not yet been fully complied with.

Aware of the positive contributions that adoption of the Corporate Governance Principles brings to the Company, Vestel Beyaz Eşya Sanayi ve Ticaret AŞ continues its efforts to further improve its compliance with the Corporate Governance Principles and to comply with the majority of the non-mandatory principles that are not yet implemented.

For the reporting period which ended on 31 December 2023, the compliance with the Corporate Governance Principles that are appended to the Corporate Governance Communiqué and the explanations with regard to the principles that have not yet been complied with are included in the Corporate Governance Compliance Report, the Corporate Governance Information Form and in other relevant sections of the annual report.

In case of any amendments to the Corporate Governance Compliance Report or the Corporate Governance Information Form during the reporting period, a material event disclosure is made and the amendments are also included in the interim activity reports.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There was no such transaction in 2023.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The agenda of the General Assembly includes a separate item for informing shareholders on donations and grants. General information on the total amount of donations and grants made in the relevant accounting period within the upper limit set at the previous year's General Assembly is provided at the Annual General Meeting and, should shareholders request detailed information, information on the beneficiaries of such donations and grants is also presented. This practice is planned to be continued in the upcoming General Assembly meetings.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	The Company has no cross-shareholding relationship which brings a controlling relationship.

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The scope of minority rights has not been expanded in the Articles of Association and the provisions of the relevant legislation apply. No amendment to the Articles of Association is planned in this regard.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	The Company distributed cash dividends in 2023.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

CORPORATE GOVERNANCE

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					Employees are informed by their managers or by their elected representatives at the factories of any decisions that may affect them. The collective bargaining negotiations commenced in 2023 and the Company signed a collective bargaining agreement with Turkish Metal Union on January 30, 2024.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					The Company supports the stated conditions, and in this context, collective bargaining negotiations commenced in 2023 and the Company signed a collective bargaining agreement with Turkish Metal Union on January 30, 2024.
3.3.9 - A safe working environment for employees is maintained.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				The Company's ultimate controlling shareholder, Zorlu Holding AŞ, has acquired Directors & Officers Liability Insurance to cover the losses that may be suffered due to the misconduct of Board members during their term of office. The Policy covers all Zorlu Group companies including Vestel Beyaz Eşya. However, the annual insurance limit does not exceed 25% of the Company's share capital.

CORPORATE GOVERNANCE

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Although there is no written policy or target for the election of women to the Board of Directors, diversity is emphasized during the nomination process. Establishing a written policy in the future is under consideration. The Eşit Bi'Hayat (An Equal Life) Manifesto (https://www.zorlu.com.tr/assets/files/pdf/ZH_TCE_Manifesto.pdf) prepared by Zorlu Holding serves as a guide in all business processes to foster an inclusive corporate culture enriched by diversity, thereby advancing equality in both the business world and society at large. Zorlu Holding, the ultimate controlling shareholder of the Company, is one of the founders of the 30% Club, which aims to increase the ratio of women to 30% in order to achieve gender balance in the decision-making mechanisms, boards of directors, and senior management of companies, in Türkiye and one of the corporate supporters of the Women on Board Association Türkiye.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	While the opportunity to express opinions exists, no member who did not attend the Board meetings during the relevant period has provided his/her opinions to the board in writing.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no restrictions on the Board members taking on other roles outside the Company as their business experience and sectoral expertise contribute significantly to the Board. There are no plans to impose any restrictions in this regard. The roles undertaken by the board members outside the Company are presented to shareholders at the AGM through the annual report and the information memorandum for the AGM.

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.		X				Three independent members of the Board serve on more than one committee. Due to the number of the independent board members no change is planned regarding the current situation.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	The committees did not obtain any external consultancy services in 2023.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.						
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			A system is under development and preparations are being made for the performance evaluation of the Board of Directors. Accordingly, once the method, frequency, and scope of performance evaluation are determined, it is planned to implement them.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			In line with the general practice, remuneration given to the board members and senior executives is disclosed collectively in the annual report. Taking into consideration the legislation on the protection of personal data as well, the Company will continue to monitor the general practice with respect to the disclosure of remuneration on an individual basis.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	During the year, a total of 71 meetings were held with the investors and analysts either via video calls, by phone or in person. The Company attended 2 investor conferences organized by the brokerage houses, one of which was held abroad.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	There was no request for the appointment of a special auditor during the reporting period.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1146548
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes, they were presented.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There was no such transaction in 2023.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There was no transaction carried out within the scope of Article 9 in 2023.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1154737
The name of the section on the corporate website that demonstrates the donation policy of the company	Corporate Governance / Policies / Donation and Charity Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/216168
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Although there is no restriction regarding the participation of stakeholders in the AGM, there was no participation thereby other than the shareholders.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	None.
The percentage of ownership of the largest shareholder	77.33%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Stock Information / Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	-
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

GENERAL ASSEMBLY MEETINGS

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
31.05.2023	None.	82.4112%	82.4085%	0.0027%	Corporate Governance / General Meetings of Shareholders	Corporate Governance / General Meetings of Shareholders	None.	None.	https://www.kap.org.tr/en/Bildirim/1155120

2. DISCLOSURE AND TRANSPARENCY**2.1. Corporate Website**

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

The information requested in the corporate governance principle numbered 2.1.1. is available on the Company's Investor Relations website under the sections "About Us, News, Corporate Governance, Financials, Stock Information and Frequently Asked Questions".

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.

Corporate Governance / Ownership Structure

List of languages for which the website is available

Turkish & English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members

It is presented in the Board of Directors and Senior Management sections of the annual report. Statements of independence were presented in the Corporate Governance section of the Annual Report.

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure

It is presented in the Corporate Governance section of the annual report.

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings

It is presented in the Additional Disclosures Required by Legislation section of the annual report.

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation

It is presented in the Additional Disclosures Required by Legislation section of the annual report.

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof

It is presented in the Additional Disclosures Required by Legislation section of the annual report.

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest

It is presented in the Additional Disclosures Required by Legislation section of the annual report.

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%

It is presented in the Additional Disclosures Required by Legislation section of the annual report.

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results

It is presented in the Employees and Corporate Citizenship sections of the annual report.

CORPORATE GOVERNANCE

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Corporate Governance / Policies / Employee Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	41
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Zorlu Holding Deputy General Manager for Internal Audit & Ethics on behalf of Zorlu Holding AŞ's Ethics Committee (Senem Dal - senem.dal@zorlu.com)
The contact detail of the company alert mechanism	Code of Ethics Hotlines: etik@vestel.com.tr; etik@zorlu.com 0 212 456 23 23 / 0 850 226 23 23
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	The Complaint/Wish/Request Evaluation System, which was created in order to evaluate the complaints, wishes and requests of employees and to increase employee motivation and satisfaction as well as efficiency, is available on the corporate portal which is only open to the Company employees.
Corporate bodies where employees are actually represented	Occupational Health and Safety Committee, Happy Employee Committee, Meal Satisfaction and Menu Selection Committee. On January 30, 2024, a collective bargaining agreement was signed, and as a result, the number of corporate bodies where employees are represented will increase.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The succession plan for the Company's key management positions (Deputy General Manager and above) is implemented within the scope of Zorlu Group Senior Management Talent Management practices, under the coordination of Zorlu Holding Chief Human Resources Officer, taking the recommendations of the Corporate Governance Committee and following the opinion and approval of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	The Vestel Group of Companies' Recruitment and Placement Regulation, which includes the criteria for equal opportunities and recruitment of personnel, is available on the Company's corporate portal. The Regulation sets out the general rules regarding the employment of individuals, who are compatible with the vision, mission, work requirements and values of the Vestel Group of Companies, by offering them an equal opportunity and by evaluating them fairly and impartially to meet the human resource needs of the Group companies. The Human Resources Policy is available in the Corporate Governance / Policies section on the corporate website.
Whether the company provides an employee stock ownership programme	There is no employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	The Human Resources Policy is available in the Corporate Governance / Policies / Human Resources Policy section. It is specifically mentioned in all regulations: "No discrimination is permitted in applications on the basis of gender, age, religion, race, sect, social status, physical appearance, ethnic origin, nationality, sexual orientation or any other personal characteristics."
The number of definitive convictions the company is subject to in relation to health and safety measures	3
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Corporate Governance / Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	It is presented in the Sustainability section of the corporate website under the "Environmental Sustainability", "Social Sustainability" and "Corporate Sustainability" headings.
Any measures combating any kind of corruption including embezzlement and bribery	These measures are included in the Zorlu Holding Ethical Principles, which is available under the heading of the Code of Ethics in the Corporate Governance section on the Company's corporate website.

4. BOARD OF DIRECTORS-I	
4.2. Activities of the Board of Directors	
Date of the last board evaluation conducted	None
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman: Ahmet Nazif Zorlu, Vice Chairman: Elmas Melih Araz. With the resolution of the Board of Directors dated 31.05.2023 and numbered 2023/24, Ahmet Nazif Zorlu and Olgun Zorlu jointly or any one of Ahmet Nazif Zorlu and Olgun Zorlu and any one of Ömer Yüngül and Bekir Cem Köksal jointly were authorized to represent and bind the Company for a period of 1 year without any monetary limitation in all matters.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	It is presented in the Corporate Governance section of the annual report.
Name of the Chairman	Ahmet Nazif Zorlu
Name of the CEO	Ergün Güler
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	They are different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/1170246 There is Directors & Officers Liability Insurance for the damages which Board members may cause to the Company during their term of office but the insurance limit does not exceed 25% of the Company's share capital.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no such policy.
The number and ratio of female directors within the Board of Directors	Number: 1 Ratio: 14%

COMPOSITION OF BOARD OF DIRECTORS

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that includes the Independency Declaration	Whether the Director considered by the Nomination Committee	Whether She/He is the Director who ceased to satisfy the Independence or Not	Whether the Director has at least 5 years of experience on Audit, Accounting and/or Finance or Not
Ahmet Nazif Zorlu	Non-executive	Not independent director	13.11.1997				
Elmas Melih Araz	Non-executive	Independent director	09.05.2018	https://www.kap.org.tr/en/Bildirim/1146544	Considered	No	Yes
Olgun Zorlu	Non-executive	Not independent director	13.11.1997				
Ömer Yüngül	Executive	Not independent director	18.03.2005				
Bekir Cem Köksal	Executive	Not independent director	18.03.2005				
Ayşegül İldeniz	Non-executive	Independent director	09.05.2018	https://www.kap.org.tr/en/Bildirim/1146544	Considered	No	
Bekir Ağırdir	Non-executive	Independent director	09.05.2018	https://www.kap.org.tr/en/Bildirim/1146544	Considered	No	No

CORPORATE GOVERNANCE

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	The Board meetings were held in person in 2023 while online participation has been provided for members with excuses. A total of 12 meetings were held in this way in 2023.
Director average attendance rate at board meetings	94%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	1 week before the meeting
The name of the section on the corporate website that demonstrates information about the board charter	It is specified in Article 10 of the Articles of Association which is available in the Corporate Governance section of the website.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	It is presented in the Corporate Governance section of the annual report.
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/220055 https://www.kap.org.tr/tr/Bildirim/267359 https://www.kap.org.tr/tr/Bildirim/348292 https://www.kap.org.tr/tr/Bildirim/348296 https://www.kap.org.tr/tr/Bildirim/348298

COMPOSITION OF BOARD COMMITTEES-I				
Names of the Board Committees	Name of Committees Defined As "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Elmas Melih Araz	Yes	Independent Board member
Audit Committee	-	Bekir Ağırdir	No	Independent Board member
Corporate Governance Committee	-	Ayşegül İldeniz	Yes	Independent Board member
Corporate Governance Committee	-	Elmas Melih Araz	No	Independent Board member
Corporate Governance Committee	-	Serap Mutlu	No	Not board member
Committee of Early Detection of Risk	-	Bekir Ağırdir	Yes	Independent Board member
Committee of Early Detection of Risk	-	Ayşegül İldeniz	No	Independent Board member
Committee of Early Detection of Risk	-	Elmas Melih Araz	No	Independent Board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	It is presented in Message from the CEO and Evaluation for 2023 sections of the annual report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Corporate Governance / Policies / Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	It is presented in the Additional Disclosures Required by Legislation section of the annual report.

COMPOSITION OF BOARD COMMITTEES-II					
Names of the Board Committees	Name of Committees defined as "Other" in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	6	5
Corporate Governance Committee	-	67%	33%	5	2
Committee of Early Detection of Risk	-	100%	50%	6	6

CORPORATE GOVERNANCE

STRUCTURE OF THE BOARD OF DIRECTORS

Vestel Beyaz Eşya managed, represented and authorized by a Board of Directors composed of a minimum of five and maximum of eleven members to be elected by the General Assembly.

Majority of the members of the Board of Directors consists of non-executive members.

The number and qualifications of the independent members who will serve on the Board of Directors are determined in accordance with the Capital Market Legislation and the regulations concerning corporate governance of the Capital Markets Board. Chairman or vice-chairman of the Board is elected from amongst the independent members. Board members are elected from amongst individuals, who have the knowledge and experience about the sector and the field of operation of the Company, preferably with higher education, with skills to read and analyze financial statements and reports and the basic information about the legal regulations applicable to the Company's daily and long-term transactions and dispositions, and who have the opportunity and determination to attend all of the scheduled meetings of the Board of Directors for the relevant budget year.

Board members are elected for a period of minimum of one and maximum of three years. Board members whose term of office expires may be re-elected. General Assembly may replace board members at any time.

Board meetings are held at the Company's head office, when deemed necessary and at least once a month. Chairman and in his/her absence, the vice-chairman, invites the Board of Directors to convene a meeting. Apart from this, any member may request the Board Chairman to invite the Board to convene. The Board convenes and resolves with the absolute majority of the total number of members. Regulations imposed by the Corporate Governance Principles of the Capital Markets Board also apply.

Vestel Beyaz Eşya's Board of Directors consists of a total of 7 members, three of whom are independent. 5 Board members are non-executive. Independent members fulfill the independence criteria envisaged in the CMB's Communiqué on Corporate Governance No. II-17.1. Independent board member candidates were determined by the resolution of the Board of Directors based on the evaluation and proposal of the Corporate Governance Committee. The candidates for independent board membership submitted their written statements of independence within the framework of the legislation, Articles of Association and the independence criteria set forth in the Communiqué on Corporate Governance to the Corporate Governance Committee at the time of their nomination. The Committee submitted its evaluation reports on whether these candidates fulfill the independence criteria to the Board of Directors and the Board decided that these candidates would be submitted to the approval of shareholders at the General Assembly to be elected as independent members to the Board.

One female member serves on the Board of Directors, who is an independent director and the ratio of female members on the Board is 14%.

The board members were elected to serve for one year at the Annual General Meeting held on May 31, 2023. The average term of office for the current board members is 11.1 years.

No board member, including the chairperson, has a preferential voting right. Each member possesses an equal vote.

Chairperson and CEO are separate individuals.

THE DUTIES AND AUTHORITIES OF THE BOARD OF DIRECTORS

The Board of Directors manages and represents the Company. In addition to this main task, the Board of Directors is also responsible to the Company's stakeholders (customers, employees, suppliers and other stakeholders).

The following are the non-transferable and inalienable duties and powers of the Board of Directors:

- Managing the company at a high level and including the issue of instructions,
- Determining the management organization of the company,
- Establishing the necessary order for accounting, financial auditing, and financial planning as required by the company's management,
- Appointment and dismissal of managers and persons serving the same purpose and who hold the authority to sign,
- Higher supervision of whether the persons responsible for management act in accordance with the laws, articles of association, internal guidelines and written instructions of the Board of Directors,
- Keeping the books of shares, the Board of Directors' resolutions and minutes of the general shareholders' meetings, preparation of the annual report and corporate governance report and submission to the General Assembly, organization of the General Shareholders' Meetings and execution of the General Assembly decisions,
- Taking the measures stipulated in the Article 376 of the Turkish Commercial Code in case of loss of capital or insolvency.

In this context, the responsibilities of the Board of Directors are as follows:

- To act cautiously in line with duty of care and supervision,
- To determine the company's short- and long-term goals,
- To examine the strategies which will be implemented to achieve the company's goals, to contribute to their development and to ensure their implementation,
- To examine the strategic and financial performance of the company and to take measures for improvement,
- To select the general manager, evaluate him/her in accordance with certain performance criteria and to determine his/her remuneration,
- To ensure the administrative and financial audit of the company,
- To ensure that the Board of Directors has the structure and function required to ensure the effective and efficient operation of the sub-committees of the Board of Directors and senior management, and to determine their performance criteria,
- To determine the company's approach to communication and relationships with stakeholders and external authorities,
- To determine and implement business ethics rules for the company and its employees,
- To ensure that the company's internal and external activities and actions comply with the relevant legislation.

The Board of Directors is authorized to take decisions on all kinds of work and transactions as required to perform the company's business activities, except those to be taken by the General Assembly in accordance with the law and the Articles of Association.

CORPORATE GOVERNANCE

BOARD COMMITTEES

- In order to assist the Board of Directors to perform its duties and responsibilities more effectively, a Corporate Governance Committee, an Early Detection of Risk Committee and an Audit Committee have been set up under the Board in line with the Capital Markets Board's Corporate Governance Principles. Owing to the nature of the Board structure, the Company has not set up a separate "Remuneration Committee" or a "Nomination Committee", the duties of which are performed by the Corporate Governance Committee.
- As per the Corporate Governance Principle No. 4.5.3, all members of the Audit Committee and the chairpersons of other committees are elected from among the independent members of the Board.
- The independent board members, Ms. Ayşegül İldeniz, Mr. Bekir Ağırdir and Mr. Elmas Melih Araz serve on more than one committee due to the number of the Board members and the committee formation requirements in accordance with the CMB's Corporate Governance Principles.
- Committees convene at intervals stipulated by the legislation and the related Committee's working principles or upon a request from a member. The committees submit their reports containing information about their work and meeting results to the Board of Directors.
- Any and all resources and support required for the committees to fulfill their duties effectively are provided by the Board of Directors. The committees can invite anyone they deem necessary to their meetings and seek their opinions.
- Duties, working principles and the members of the Committees are determined by the Board of Directors and are disclosed to the public on the Public Disclosure Platform and the Company website.

Audit Committee

- The Audit Committee was set up for the effective oversight of the Company's financial and operational activities pursuant to the Article 3 of the CMB's Communiqué Serial X, No. 19. The Committee is responsible for the supervision of the Company's accounting system, public disclosure of financial information, independent audit and the functioning and efficiency of the Company's internal control and internal audit system.
- Pursuant to the CMB's Communiqué on Corporate Governance No. II-17.1, the "Working Principles of the Audit Committee" were revised and approved at the Board of Directors' meeting dated March 27, 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company's website.
- The Audit Committee is structured in accordance with the Capital Markets Board's Corporate Governance Principles and comprises two members.
- The Chairman of the Committee was elected from among the independent members of the Board and certain criteria were taken into account in the election process. Care is taken to ensure that the Chairperson of the Committee previously held a similar role, has the knowledge to analyze financial statements, is well-versed in accounting standards, and is highly qualified.
- Both members of the Audit Committee were elected from among the independent Directors. The Chairman of the Committee is Mr. Elmas Melih Araz, and the other member is Mr. Bekir Ağırdir.

The structure of the Committee and membership information are as follows as per the decision tak-en in the Company's Board meeting on 31 May 2023:

Committee Members	Duty	Status
Elmas Melih Araz	Chairman of the Committee	Independent Board Member
Bekir Ağırdir	Member of the Committee	Independent Board Member

- In principle, the Audit Committee shall convene at least four times a year, being once in each quarter. The Committee convened six times in 2023.
- The Committee carries out its activities in line with the working principles set out in detail and in writing.
- In 2023, the Audit Committee performed the following functions:
 - Monitoring the Company's financial and operational activities,
 - Supervision and approval of the compliance of the annual and interim financial statements to be disclosed to the public with the accounting principles followed by the Company as well as their accuracy and veracity,
 - Selection of the independent audit firm, preparation of the independent audit contract and initiation of the independent audit process,
 - Monitoring the effectiveness and performance of the independent audit activity,
 - Overseeing the functioning and effectiveness of the internal control and internal audit system,
 - Reviewing the reports relating to the internal control and internal audit studies conducted during the reporting period.

Corporate Governance Committee

- The Corporate Governance Committee was established to monitor the Company's compliance with the CMB's Corporate Governance Principles, carry out studies for improvement and make proposals to the Board of Directors in order to improve the implementation of corporate governance practices.
- Pursuant to the CMB's Communiqué on Corporate Governance No. II-17.1, the "Working Principles of the Corporate Governance Committee" were revised and approved at the Board of Directors' meeting dated 27 March 2014. The revised version of the working principles was disclosed to shareholders via the Public Disclosure Platform and the Company website.
- The Corporate Governance Committee is composed of at least three members, including two non-executive Board Members and the Investor Relations Director. The Chairperson of the Committee is Ms. Ayşegül İlideniz, who has been selected from among the independent members.
- Corporate Governance Committee also fulfills the duties of the Nomination Committee and the Remuneration Committee.

The structure of the Committee and membership information are as follows as per the decision tak-en in the Company's Board meeting on May 31, 2023:

Committee Members	Duty	Status
Ayşegül İlideniz	Chairperson of the Committee	Independent Board Member
Elmas Melih Araz	Member of the Committee	Independent Board Member
Serap Mutlu	Member of the Committee	Investor Relations Director

- In principle, the Committee convenes at least twice a year in order to ensure the effective performance of its duties. Corporate Governance Committee convened five times in 2023.
- The activities carried out by the Corporate Governance Committee in 2023, in accordance with its working principles put into writing in detail, are presented below:
 - Proposing improvements in corporate governance practices to the Board of Directors to enhance compliance with the CMB's Communiqué on Corporate Governance No. II-17.1; conducting and supervising the necessary works for alignment with the legislation,
 - Preparing the evaluation reports on the independence of the independent Board member candidates for submission to the Board of Directors,
 - Overseeing the activities of the Investor Relations Department,
 - Within the scope of the Remuneration Committee duties, submission to the Board of its proposal for the compensation to be paid to the members of the Board of Directors and executives with administrative responsibility for the year 2023, considering the degree of attainment of the criteria used in remuneration.

Early Detection of Risk 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 in line with the Turkish Commercial Code, Articles of Association and CMB's Communiqué on Corporate Governance. 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.
- Pursuant to the CMB's Communiqué on Corporate Governance No. II-17.1, the "Working Principles of the Early Detection of Risk Committee" were revised and approved at the Board of Directors' meeting dated 27 March 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company's website.
- The Early Detection of Risk Committee is composed of at least two Board members. In case the Committee has only two members, both of them, and in case it has more than two members, the majority of them, must be non-executive Board members. The Chairman of the Committee is Mr. Bekir Ağırdir, who has been selected from among the independent members. The other members of the Early Detection of Risk Committee are independent Board members Ms. Ayşegül İlideniz and Mr. Elmas Meliz Araz.
- Early Detection of Risk Committee submits a report to the Board of Directors every two months.

CORPORATE GOVERNANCE

The structure of the Committee and membership information are as follows as per the decision tak-en in the Company's Board meeting on May 31, 2023:

Committee Members	Duty	Status
Bekir Ağırdır	Chairman of the Committee	Independent Board Member
Elmas Melih Araz	Member of the Committee	Independent Board Member
Ayşegül İlideniz	Member of the Committee	Independent Board Member

- 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 Committee held six meetings in 2023 and presented six risk reports to the Board of Directors.
- The activities carried out by the Committee in 2023, in line with the working principles put into writing in detail, are presented below:
 - Risk assessment has been conducted at all levels, and an inventory of risks critical to the company in strategic, financial, and operational areas has been compiled.
 - Risks were classified according to the following criteria on the risk map, where they are positioned according to their impact and probability levels.
 - Risks have been identified and defined at the Group level.

By Level of Potential Impact:

- o Negligible
- o Minor
- o Moderate
- o Serious
- o Critical

According to Likelihood:

- o Rare
- o Low
- o Possible
- o High
- o Almost Certain

- As a result of these assessments, it was seen that the risks were generally concentrated under the main headings of Strategic, Financial, Compliance and Operational Risks.
- As a result of the risk inventory and the Enterprise Risk Management Department's research, risk reports were prepared and submitted to the Committee in order to ensure early detection of risks which may jeopardize the Company's existence, development and continuity and adoption of the necessary measures against these risks and management of risk. These reports are as follows:
 - Results of the 2022 Risk Assessment Survey for Vestel Group of Companies
 - The Economic and Social Effects of Earthquakes in Türkiye
 - Industry 4.0 and Vestel
 - Enterprise Risk Management Roadmap
 - Corporate Risk Management Policy and Procedure
 - Developments in Business Continuity Management

EVALUATION OF THE BOARD OF DIRECTORS REGARDING THE WORKING PRINCIPLES AND EFFECTIVENESS OF THE BOARD COMMITTEES

In line with the Capital Markets Board's Corporate Governance Principles, in order to ensure the effective fulfillment of the duties and responsibilities of the Board of Directors, committees were established to work under the Board of Directors. At its meeting held on May 31, 2023, the Board of Directors resolved to:

- Elect Ms. Ayşegül İldeniz, Independent Member of the Board, as the Chairperson of the Corporate Governance Committee and Mr. Elmas Melih Araz, Independent Member of the Board, and Ms. Serap Mutlu, Investor Relations Director, as Committee members,
- Elect Mr. Elmas Melih Araz, Independent Member of the Board, as the Chairman of the Audit Committee and Mr. Bekir Ağırdir, Independent Member of the Board, as Committee Member,
- Elect Mr. Bekir Ağırdir, Independent Member of the Board, as the Chairman of the Early Detection of Risk Committee and Ms. Ayşegül İldeniz, Independent Member of the Board, and Mr. Elmas Melih Araz, Independent Member of the Board, as Committee Members.

Due to the structure of the Board, the Company did not establish a separate "Remuneration Committee" and a "Nomination Committee". The duties of these committees are fulfilled by the Corporate Governance Committee. The Working Principles of the Board Committees were revised in accordance with the CMB's Communiqué on Corporate Governance No. II-17.1 and approved at the Board meeting held on 27 March 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company's website (<http://vesbe.vestelinvestorrelations.com>).

In 2023, the Board Committees performed their duties and responsibilities effectively as required in the Corporate Governance Principles and their own Working Principles.

In compliance with the way required for the effectiveness of their functions, their Working Principles and annual meeting schedules, in 2023:

- The Corporate Governance Committee convened three times,
- The Corporate Governance Committee convened once to fulfill the duties of the Nomination Committee,
- The Corporate Governance Committee convened once to fulfill the duties of the Remuneration Committee,
- The Audit Committee convened six times,
- The Early Detection of Risk Committee convened six times.

The Committees submitted reports on their activities and the results of their meetings to the Board of Directors. According to these meetings:

- The "Corporate Governance Committee", which was established in line with the Capital Markets Board's Communiqué on Corporate Governance in order to monitor the Company's compliance with the Corporate Governance Principles, carry out studies for improvement, and submit proposals to the Board of Directors, monitored the Company's compliance with the Corporate Governance Principles, made recommendations to the Board to improve compliance with the non-mandatory principles and oversaw the activities of the Investor Relations Department.
- The Corporate Governance Committee also fulfills the duties of the Nomination Committee. Within the scope of its duties as the Nomination Committee, the Corporate Governance Committee evaluated the applications for independent board membership by assessing the independence status of the board member candidates according to the independence criteria. The Committee prepared a report on its evaluations and submitted it to the Board of Directors for approval.
- The Corporate Governance Committee, which also fulfills the duties of the Remuneration Committee, submitted its proposal to the Board of Directors regarding the remuneration of the Company's Board members and executives with administrative responsibilities for the year 2023, taking into account the degree of attainment of the criteria used in remuneration within the scope of the duties of this committee.
- The "Audit Committee", which was established for the supervision of the Company's accounting system, the independent audit, public disclosure of financial information, and functioning and efficiency of the Company's internal control and internal audit system, presented its views and recommendations in the areas of its responsibility to the Board of Directors.
- The "Early Detection of Risk Committee", which was established for the early detection of risks that could threaten the Company's existence, development and continuity, implementation of necessary measures against these risks and management of risk, carried out a high-level risk assessment, compiled an inventory of risks critical to the Company in strategic, financial and operational areas and prepared and submitted six Risk Reports to the Board based on the risk inventories and Enterprise Risk Management Department's research during the year within the scope of its duties set forth in its Working Principles.

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ANNEX 1: ABOUT THE REPORT

This report covers Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.'s business model, material issues, and future strategies that create long-term value for its stakeholders. The report covers financial information, as well as sustainability and climate-related governance, strategy, risk management, indicators, and targets.

Scope

The information and data in this report covers six production facilities of Vestel Beyaz Eşya (Refrigerator I-II Plants, Washing Machine Plant, Tumble Dryer Plant, Dishwasher Plant, Air-Conditioning - Water Heater - Cooking Appliances Plant) within Vestel City in Manisa, and encompasses the period between January 1 and December 31, 2023.

In order to share the impacts of Vestel Beyaz Eşya on the value chain, the report also covers customer experience, sales, marketing, after-sales services, store and dealer practices under Vestel Ticaret AŞ.

Standards and Principles Used in the Report

This report has been prepared under GRI Standards and the Integrated Reporting Framework. Turkish Sustainability Reporting Standards (TSRS) 1, "General Provisions on Disclosure of Sustainability-Related Financial Information" and TSRS 2 "Climate-related Disclosures" were taken as a basis while preparing this report. The report also encompasses Vestel Beyaz Eşya's progress achieved under the United Nations Global Compact (UNGC) and its contributions to the United Nations (UN) Sustainable Development Goals. The table prepared based on UNGC principles is presented in Annex 8.

Vestel Beyaz Eşya continues to work towards full compliance with the Sustainability Principles. Detailed information on this issue can be found in the Sustainability Principles Compliance Report in Annex 9.

ANNEX 2: STAKEHOLDER RELATIONS

Communication and collaboration with stakeholders constitute one of the key elements of Vestel Beyaz Eşya's value creation model. The Company establishes an environment of dialog with various stakeholders through various channels and integrates its stakeholders' views into decision-making processes. Under the stakeholder analysis conducted in 2021, Vestel Beyaz Eşya reached employees, suppliers, analysts, investors, customers, authorized dealers and service providers, universities, sectoral associations and initiatives, CSOs, media, and local governments and received the opinions of its stakeholders on its sustainability priorities. Under the strategy that it has shaped depending on these priorities, Vestel Beyaz Eşya aims to annually share its performance with the public through its integrated reports.

Vestel Beyaz Eşya adopts sustainability and circularity as a principle by taking part in many platforms where it carries out active policies with its stakeholders. It plays an active role in the working groups of many platforms, including the European White Goods Manufacturers Association (AP-PLiA), TOBB, İSKİD, TÜSİAD, and TÜRKBESD, as well as many national organizations in Europe. It closely monitors developments within the scope of the European Union Green Deal policy and develops strategies focused on green and digital transformation. Accordingly, Vestel Beyaz Eşya chairs the 'Eco-Design Task Force for Sustainable Products', which was established at TÜRKBESD in the last quarter of 2023. Furthermore, within the scope of environmental regulations, it continues to participate in policy and legislative development studies carried out to control fluorinated greenhouse gases and reduce emissions through the İSKİD F-Gas Working Group.

Since 2022, Vestel has been voluntarily participating with industry stakeholders in the development of the Code of Conduct (CoC) policy for Energy Smart Appliances (ESA), led by the European Union Joint Research Center (JRC). The aim of this "Code of Conduct" is to describe and increase the number of interoperable ESAs available on the EU market. This aims to improve the environmental impact of energy use over the whole energy system in the near future. Energy smart products are expected to generate less carbon emissions with a smart energy grid management system. During the process of determining the Code of Conduct, three separate workshops were organized in November 2022, March 2023, and June 2023, respectively. The final version of the Code of Conduct was completed at the beginning of March 2024. It includes rules and guidelines on sharing data on energy consumption and performance of devices, device start-up at variable times, remote control and management of devices, cyber-security, and data protection. On April 23, 2024, the official launch date of the policy, partners officially signed it voluntarily.

Vestel CEO is a board member of TURKTRADE.

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Methods for Communication with Stakeholders

Stakeholder Group	Communication Channels	Frequency of Communication
Employees	In-house information in different formats (e-mail, digital screens, online platforms, face-to-face meetings, Corporate portal)	Daily
	Surveys, opinion and recommendation kiosks	
	Trainings	
	Annual corporate meetings	
	Integrated reports	
	Online and physical in-house leader communication sessions	
	Principles of Industrial Excellence	
Sectoral Organizations and Associations, CSOs, International Organizations	Membership in professional associations	Monthly
	Presidency of the board of directors in professional and sectoral associations	
	Integrated reports	
	Research reports	
	Participation in seminars and summits	
Suppliers	Supplier Code of Conduct	Weekly
	Trainings	
	Audits and counts	
	Periodic review meetings	
	Announcements	
	Integrated reports	
Investors, Shareholders and Analysts Disclosures on the Public Disclosure Platform	Disclosures on the Public Disclosure Platform	Weekly
	Press releases	
	Investor Relations website	
	Integrated reports	
	One-on-one meetings and e-mail correspondence	
	Phone calls	
	Video conferences	
	Investor conferences and roadshows	
	General Assembly meetings	
	Annual and interim financial statements and annual reports	
Public Institutions	Presentations for investors	Monthly
	Intermediary firm reports	
	One-on-one visits	
	Team meetings with relevant institutions	
	Reports, analyses	
	Public events	

Stakeholder Group	Communication Channels	Frequency of Communication
Media	Press releases and interviews	Weekly
	Ads	
	Social media	
	Web site	
	Press conferences	
	Fair visits	
Consumers and Customers	Reports and surveys	Daily
	Press releases and interviews	
	One-on-one meetings with corporate clients	
	Ads	
	Social media	
	Web site	
Local Community	Customer services	Quarterly
	Integrated reports	
	Regular visits	
	Integrated reports	
Universities	Seminars and training activities	Monthly
	Social responsibility projects	
	University career events	
	University and student club sponsorships	
	Reports and surveys	
	Joint ventures and projects	

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ANNEX 3: ASSOCIATION MEMBERSHIPS AND SUPPORTED INITIATIVES

APPLiA (Home Appliance Europe)	Business World Plastics Initiative (IPG)
United Brands Association of Türkiye	Izmir Chamber of Commerce (İZTO)
Global Compact Signatories Association (UNGC Türkiye)	Manisa Chamber of Commerce and Industry
CDP Worldwide	Muradiye Organized Industrial Zone
Durable Goods Council (TOBB DTM)	Portable Battery Manufacturers and Importers Association (TAP)
Foreign Economic Relations Board (DEİK)	White Goods Manufacturers' Association of Türkiye (TURKBESD)
ECOVADIS	Foreign Trade Association of Türkiye (TURKTRADE)
Electrical and Electronics Recycling and Waste Management Association (ELDAY)	Türkiye Circular Economy Platform
Association for the Protection of Intellectual Property	Turkish Exporters Assembly (TIM)
Air-Conditioning and Refrigeration Manufacturers' Association (İSKİD)	Quality Association of Türkiye (KalDer)
Istanbul Chamber of Industry (İSO)	Turkish Investor Relations Society (TUYİD)
Istanbul Chamber of Commerce (İTO)	Authorized Economic Operator Association

	2020	2021	2022	2023
Amount spent on memberships (TRY)	434,625	641,252	1,576,469	2,933,881

ANNEX 4: INTEGRATED MANAGEMENT SYSTEMS AND ENVIRONMENTAL MANAGEMENT

Activities carried out under the umbrella of the Integrated Management System are performed as per TS EN ISO 9001 Quality Management System, TS EN ISO 14001 Environmental Management System, TS EN ISO 50001 Energy Management System, TS EN ISO 14064 Greenhouse Gas Calculation and Verification Standards, 14046 Water Footprint Standards, TS ISO 45001 Occupational Health and Safety Management System and TS EN ISO 27001 Information Security Management System.

Certificate	Ratio of Facilities Covered by the Certificate* (%)
ISO 9001	100
ISO 14001	100
ISO 14046	100
ISO 14064	100
ISO 27001	28
ISO 45001	100
ISO 50001	100

*Vestel Beyaz Eşya's production facilities and internal warehouses are included in the calculation for the rate of facilities holding the certificate.

Integrated Management Systems (environment, energy, occupational health and safety, information security and quality) Policies of Vestel Beyaz Eşya are available [here](#).

Vestel Beyaz Eşya's Environmental Coordination Group ensures that environmental issues are handled within a broader structure along with Vestel Environment Working Group. Management Systems and Customer Relations Manager is responsible for environmental sustainability management as Vestel Beyaz Eşya Environmental Official and Environmental Management Representative.

Through environmental management systems, Vestel Beyaz Eşya analyzes and records all environmental outputs according to the ISO 14001 standard. In this context, the Company drafts various reports on a monthly and annual basis. It monitors wastewater pollution analyses, energy and water consumption, water and carbon footprint, diesel consumption and hazardous and non-hazardous waste quantities on a monthly basis. As per environmental legislation, Vestel Beyaz Eşya indicates this information in the monthly evaluation report. It reports its carbon footprint according to the ISO 14064 standard, and its water footprint according to the ISO 14046 standard and has them verified by independent third parties.

In 2023, 6,190 employees received a total of 1,063 hours of environmental and zero-waste training.

In 2023, the Company spent TL 1,145,104 for environmental investments and expenditures.

In the last four years, no environmental penalty has been imposed and no environmental penalty has been paid.

In addition to complying with all national laws, especially the Environmental Law, as determined by the Ministry of Environment and Urbanization of the Republic of Türkiye, as well as the following European and global legal regulations for the sector:

- Directive on Waste Electrical and Electronic Equipment (WEEE),
- RoHS - Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment,
- Regulation of the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH),
- Ecodesign Framework Directive for Energy-Related Products,
- Energy Efficiency Law and the Regulation on Increasing Efficiency in the Use of Energy Resources and Energy,
- Communiqués on energy labeling specific to each product group,
- Environmental Law No. 2872 and related regulations.

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Biodiversity

There is no habitat for the species which are of importance for scientific studies and/or are or may be endangered as well as the endemic species for our country, biosphere reserve, biotope, biogenetic reserve area, unique geological and geomorphological formation in Manisa Organized Industrial Zone (MOIZ), where Vestel Beyaz Eşya operates. As a result of previous environmental impact assessments (EIA), it was found out that the species under protection did not live and endangered flora species did not grow within the Company's operating area.

No flora-fauna study has been carried out due to the fact that there are only industrial areas in the 2 km sphere of influence of MOIZ borders. Vestel Beyaz Eşya is committed to complying with the Environmental Law No. 2872 and the regulations issued pursuant to this law regarding potential measures.

Air and Water Emissions

In addition to greenhouse gas emissions, various air emissions occur as a result of production processes. To keep emissions within the limits of regulations, the Company measures emissions every two years as per the Regulation on the Control of Industrial Air Pollution. In 2022, routine emission measurement was completed by accredited organizations assigned through the new application of the Ministry of Environment and Urbanization of the Republic of Türkiye. It was found out that 159 dust measurements regarding 159 chimneys, 138 VOC (Volatile Organic Compound) measurements, 21 combustion gas measurements, 2 heavy metal and 2 fluoride measurements were below the limit values stipulated in the Regulation.

Annual total air emissions* (tons)	2020	2022
NOx	31.4	40.8
SOx	0.02	0.7
Persistent organic pollutants (POP)	-	-
Volatile organic compounds (VOC)	0.7	8.7
Dust (PM)	2.9	26.4

*Measurement is carried out every two years within the scope of legal compliance. Measurement was carried out in 2022. There is no perfluorocarbon emission.

Domestic and industrial wastewater are generated in the facility. This wastewater is discharged into the sewage network of Manisa Organized Industrial Zone. The facility holds a Connection Permit Certificate and Connection Quality Control Permit Certificate issued by Manisa OIZ under the Regulation on Water Pollution Control. Pollution loads of wastewater are measured by MOIZ by taking samples every 15 days. Measurement values were found to be below the limit values specified in the Regulation on Water Pollution Control.

Wastewater Discharge Values (mg/l)	2022	2023
Chemical oxygen demand (COD)	783.6	726.4
Total suspended solids	160.2	166.5

ANNEX 5: AWARDS

Design Awards

11 Awards to Vestel Beyaz Eşya from Which? Magazine

- Vestel Beyaz Eşya won a total of 11 awards in the Best Buy, Great Value, and Eco Buy categories in Which? Magazine, the most important independent consumer evaluation organization in the UK market.

iF Design Awards

- In 2023, Vestel won one award in the UX Design category at the world-renowned design competition iF Design Awards with its VeeZy mobile application.
- Vestel Beyaz Eşya's four-door refrigerator with inventory tracking system, washing machine with microfiber filter, and B series dishwasher with sonic wash technology was also recognized with three awards.

Digitalization-Technology-Sustainability Awards

Award in the "Innovation Cycle" Category at InovaLIG

- Vestel Beyaz Eşya won the first prize in the "Innovation Cycle" category at the InovaLIG, organized by the Türkiye Exporters Assembly, where innovation champions of Türkiye are recognized.

Innovation Award for Vestel Washing Machine with Microfiber Filter

- Vestel Beyaz Eşya's washing machine with microfiber filter received the Special Mention award in the Excellence in Business to Consumer - Household Appliances category of the German Innovation Award 2023 competition.

Sustainable Business Awards

- Vestel Customer Services received an award in the "Employee Engagement" category at the Sustainable Business Awards, organized to recognize projects that create economic, environmental, and social impact in the business world for a sustainable future. At the awards, organized for the 10th time this year and distributed in 16 different categories every year, Vestel Customer Services received an award for its multidisciplinary innovation team "Open Kitchen."

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Customer Services Awards

Stevie Awards

- At the Stevie Awards, Vestel Customer Services received a Gold award for its "Household Appliances Analytics" project and Bronze awards for its "Installing Software on Household Appliances: Veslink" and "No Signal" projects, winning a total of 1 Gold and 2 Bronze awards.

Golden Headset Award

- Vestel received an award at the 6th Golden Headset Awards organized by the Customer Experience Management and Technologies Association. Simge Pirinççi, Customer Representative at Vestel Call Center, won the Golden Headset Award in the "Most Sincere Customer Experience Story" category.

Türkiye Customer Experience Awards

- Vestel Customer Services was awarded Gold in the "Best Use of Customer Insight and Feedback Strategy" category and Silver in the "Best Product or Service Development" category at the Türkiye Customer Experience Awards (TCXA'23) organized by Awards International.

Quality Association of Türkiye (KalDer) Successful Team of the Year Awards

- Vestel Customer Services received the Bronze award for its end-to-end service quality practices at the Successful Team of the Year Awards organized annually by the Quality Association of Türkiye (KalDer).

Globe Awards

- Competing in the Globe Sales, Marketing, Customer Success, and Operations Awards, in which brands from all over the world participate, Vestel received one Gold and one Silver prize for its customer service programs.

Marketing and Corporate Communications Awards

Crystal Apple Awards

- Vestel received nine awards at the Crystal Apple Awards, organized annually by the "Association of Advertising Agencies" to raise the level of creativity in marketing communications in Türkiye and to certify the unique achievements of agencies, employees, and other parties contributing to the practice.

Felis Awards

- Vestel received 13 awards in 2023 at the Felis Awards organized by MediaCat to emphasize the role of effective creativity in marketing efforts in the advertising and marketing industry and to reward the achievements of all teams contributing to the creative sphere.

Hammers Awards

- Vestel received 11 awards at The Hammers, where marketing teams are rewarded every year around seminal cases that set an example for the sector and from which all parties in the sector can learn lessons.

Effie Awards

- Vestel received 1 Gold Prize at the Effie Awards, which have been organized since 2005 by the Association of Advertising Agencies and the Association of Advertiser Agencies under license from the American Marketing Association (A.M.A.) and Effie Worldwide Inc., to measure the effectiveness of advertising campaigns.

A Awards

- Vestel received 2 awards at the A Awards, where works in the outdoor sector are rewarded.

Brandverse Awards

- Vestel received four awards at the Brandverse Awards, which recognizes projects, brands, and agencies that demonstrate success throughout the year by covering the world of brands 360 degrees with all its old- and new-generation marketing communication and advertising activities.

Other Awards

- With export revenues of USD 2.3 billion in the Electric-Electronics sector, Vestel not only became the export champion for the 25th time in a row, but also ranked as the 6th largest exporter in the country.
- Vestel ranked first in the category of exports of iron and steel products in the "Metallic Stars of Export" awards given to successful exporters by the Istanbul Ferrous and Non-Ferrous Metals Exporters' Association.

ANNEX 6: PERFORMANCE INDICATORS

All performance indicators cover the entire production facilities and internal warehouses of Vestel Beyaz Eşya.

SOCIAL PERFORMANCE INDICATORS

Employees by Gender	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees	2,853 ✓	6,357 ✓	2,934 ✓	6,482 ✓	3,412 ✓	7,195 ✓	2,857 ✓	6,310 ✓
Total	9,210 ✓		9,416 ✓		10,607 ✓		9,167 ✓	

Employees by Category	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
White-collar	190 ✓	526 ✓	199 ✓	549 ✓	274 ✓	641 ✓	192 ✓	555 ✓
Blue-collar	2,663 ✓	5,831 ✓	2,735 ✓	5,933 ✓	3,138 ✓	6,554 ✓	2,665 ✓	5,755 ✓

Employees by Working Duration	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Employed for 0-5 Years	2,234 ✓	3,973 ✓	2,077 ✓	3,643 ✓	2,251 ✓	4,062 ✓	1,847 ✓	3,493 ✓
Employed for 5-10 Years	463 ✓	1,261 ✓	668 ✓	1,415 ✓	840 ✓	1,494 ✓	770 ✓	1,372 ✓
Employed for 10 Years or More	156 ✓	1,123 ✓	189 ✓	1,424 ✓	321 ✓	1,639 ✓	240 ✓	1,445 ✓
Average Duration of Employment (Year)	3	4	4	5	4	6	4 ✓	6 ✓

Managers by Gender and Age	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
50 and Above	0 ✓	5 ✓	0 ✓	9 ✓	2 ✓	10 ✓	2 ✓	5 ✓
30-50 Years	22 ✓	153 ✓	27 ✓	162 ✓	35 ✓	171 ✓	25 ✓	147 ✓
30 and Below	4 ✓	12 ✓	4 ✓	15 ✓	5 ✓	15 ✓	9 ✓	16 ✓
Total	196 ✓		217 ✓		238 ✓		204 ✓	

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Managers by Categories	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees in Junior Management Positions	18 ✓	104 ✓	24 ✓	110 ✓	32 ✓	117 ✓	32 ✓	119 ✓
Number of Employees in Middle Management Positions	8 ✓	55 ✓	7 ✓	65 ✓	10 ✓	68 ✓	3 ✓	37 ✓
Number of Employees in Top Management Positions	0 ✓	11 ✓	0 ✓	11 ✓	0 ✓	11 ✓	1 ✓	12 ✓
Number of Managerial Employees in Revenue-Generating Functions	3 ✓	17 ✓	4 ✓	19 ✓	7 ✓	20 ✓	5 ✓	19 ✓

	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees in Science, Technology, Engineering and Math (STEM)-related Positions	153 ✓	458 ✓	160 ✓	492 ✓	117 ✓	556 ✓	155 ✓	491 ✓
Number of Full-Time Employees in R&D Department	125 ✓	443 ✓	127 ✓	470 ✓	136 ✓	517 ✓	121 ✓	473 ✓
Number of Employees with Disabilities	48 ✓	156 ✓	47 ✓	164 ✓	59 ✓	167 ✓	48 ✓	157 ✓
Ratio of Non-Managerial Employees	31%	69%	32%	68%	33%	67%	31% ✓	69% ✓
Promotion Ratio	29%	71%	16%	84%	21%	79%	21% ✓	79% ✓

Newly-Hired Employees by Gender and Age	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
50 and Above	4 ✓	2 ✓	0 ✓	10 ✓	0 ✓	4 ✓	1 ✓	3 ✓
30-50 Years	415 ✓	741 ✓	348 ✓	610 ✓	367 ✓	523 ✓	219 ✓	344 ✓
30 and Below	923 ✓	2,072 ✓	807 ✓	1,804 ✓	747 ✓	1,849 ✓	560 ✓	1,273 ✓
Total	4,157 ✓		3,579 ✓		3,490 ✓		2,400 ✓	

Employees Leaving Their Jobs by Gender and Age and Employee Turnover		2020	2021	2022	2023			
Employee Turnover Rate		30% ✓	35% ✓	27% ✓	36% ✓			
Turnover Rate for Employees Voluntarily Leaving Their Jobs		29% ✓	32% ✓	23% ✓	33% ✓			
Ratio of Vacant Positions Filled with In-house Candidates		8% ✓	16% ✓	10% ✓	1% ✓			
Ratio of women who quit their jobs		29%	31%	33%	31% ✓			
Maternity/Paternity Leave	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees Who Took Parental Leave	126 ✓	296 ✓	122 ✓	292 ✓	133 ✓	328 ✓	125 ✓	319 ✓
Employees Returning from Parental Leave	65 ✓	296 ✓	67 ✓	292 ✓	73 ✓	328 ✓	26 ✓	319 ✓
Performance Review	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Total Number of Employees Subjected to a Regular Performance and Career Development Review	147 ✓	457 ✓	151 ✓	469 ✓	164 ✓	472 ✓	165 ✓	497 ✓
Contractor Employees by Gender	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Contractor Employees	122 ✓	261 ✓	136 ✓	270 ✓	206 ✓	271 ✓	228 ✓	290 ✓
Total	383 ✓		406 ✓		477 ✓		518 ✓	
Employee Trainings		2020	2021	2022	2023			
Training Hours for Employees		93,650 ✓	131,889 ✓	152,300 ✓	132,048 ✓			
Contractor Trainings		2020	2021	2022	2023			
Training Hours for Contractor Employees		18,553 ✓	17,949 ✓	15,727 ✓	146 ✓			
OHS Trainings		2020	2021	2022	2023			
OHS Training Hours for Employees		75,804 ✓	86,963 ✓	87,062 ✓	77,581 ✓			
OHS Training Hours for Contractor Employees		4,136 ✓	3,750 ✓	4,738 ✓	2,748 ✓			
Environmental Trainings	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees Receiving Environmental and Zero Waste Training	-	-	-	-	284 ✓	752 ✓	917 ✓	2,335 ✓

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ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Consumption (MWh)	2020	2021	2022	2023
Natural Gas	69,995 ✓	76,979 ✓	77,039 ✓	80,075 ✓
Diesel	1,133 ✓	1,115 ✓	998 ✓	1,135 ✓
Electricity	103,201 ✓	117,953 ✓	121,530 ✓	122,281 ✓
Renewable Energy (Electricity)	- ✓	76 ✓	175 ✓	170 ✓
Hot Water	17,163 ✓	15,711 ✓	13,150 ✓	12,620 ✓
Total	191,492 ✓	211,834 ✓	212,892 ✓	216,281 ✓

Greenhouse Gas Emissions (tons CO ₂ e) ⁶	2020	2021	2022	2023
Scope 1	15,272 ✓	16,729 ✓	16,688 ✓	16,078 ✓
Scope 2	63,596 ✓	71,902 ✓	58,295 ✓	60,962 ✓
Total Greenhouse Gas Emissions (Scope 1 and 2) ⁷	78,868 ✓	88,631 ✓	74,983 ✓	77,040 ✓
Scope 3 ⁸	13,095,679 ✓	13,022,321 ✓	12,139,377 ✓	10,485,509 ✓
Category 1				595,234 ✓
Category 2				282 ✓
Category 4				83,737 ✓
Category 5				1,113 ✓
Category 6				440 ✓
Category 7				6,736 ✓
Category 9				221,637 ✓
Category 11				9,563,983 ✓
Category 12				12,344 ✓

⁶ Vestel Beyaz Eşya calculated its carbon footprint under the GHG Protocol standard and reported it following the requirements in Article "9.3 Content of the greenhouse gas report" in TS EN ISO 14064-1 standard. IPCC 6th Assessment Report was taken as a basis for emission factors in carbon footprint calculations made under the Tier 1 method. For emission factors that could not be determined through the IPCC report, DEFRA, EPA and Ecoinvent version 3.6 sources were used. Direct and indirect emissions within the boundaries of the organization are verified by independent third parties according to the ISO 14064 standard.

⁷ Scope 1 includes consumed natural gas, refrigerants, and vehicle fuels used in processes and plants; Scope 2 includes purchased electricity and heat energy. Scope 1 and 2 emissions are verified by independent third parties.

⁸ For Scope 3, calculations for 2021 were made for categories 1, 4, 6, 7 and 11. Calculations for 2020 and 2022 were made for category 11.

Water Withdrawal (m³)	2020	2021	2022	2023
Tap Water	415,898 ✓	365,959 ✓	391,798 ✓	409,041 ✓
Groundwater	558,767 ✓	572,971 ✓	560,273 ✓	435,582 ✓
Rainwater	- ✓	- ✓	1,263 ✓	9,193 ✓
Total Water Withdrawal ⁹	974,665 ✓	938,930 ✓	953,334 ✓	853,816 ✓
Amount of Wastewater Discharged to the Network	877,198 ✓	845,037 ✓	858,000 ✓	729,307 ✓
Total Net Water Consumption ¹⁰	97,467 ✓	93,893 ✓	96,596 ✓	85,435 ✓
Amount of Recycled Water	-	465	25,158	111,027 ✓

⁹Water footprint is verified by independent third parties.

¹⁰Total Net Water Consumption = Total Water Withdrawal - Water Discharged

Amount of Waste (tons)¹¹	2020	2021	2022	2023
Total Amount of Hazardous Waste	1,392 ✓	1,760 ✓	1,814 ✓	1,410 ✓
Hazardous Waste Incinerated for Energy Generation	464 ✓	618 ✓	698 ✓	722 ✓
Recovered Hazardous Waste	927 ✓	1,141 ✓	1,115 ✓	687 ✓
Hazardous Waste Sent to Landfill/Solid Waste Site	0,80 ✓	0,90 ✓	0,85 ✓	0,74 ✓
Total Amount of Non-Hazardous Waste	39,053 ✓	45,012 ✓	44,266 ✓	46,210 ✓
Non-Hazardous Waste Incinerated for Energy Generation	1,755 ✓	1,892 ✓	1,573 ✓	1,786 ✓
Recycled Non-Hazardous Waste	37,298 ✓	43,120 ✓	42,693 ✓	44,423 ✓
Non-Hazardous Waste Sent to Landfill/Solid Waste Site	- ✓	- ✓	- ✓	- ✓
Total Amount of Waste (ton)	40,445 ✓	46,773 ✓	46,080 ✓	47,619 ✓
Total Recycled/Recovered Waste	38,225 ✓	44,261 ✓	43,808 ✓	45,111 ✓
Total Waste Sent to Landfill/Solid Waste Site	0.8 ✓	0.9 ✓	0.85 ✓	0.74 ✓
Total Waste Incinerated for Energy Generation	2,219 ✓	2,510 ✓	2,271 ✓	2,508 ✓
Total Waste Disposed	2,220 ✓	2,511 ✓	2,272 ✓	2,509 ✓
Recyclability Rate of Waste	95% ✓	95% ✓	95% ✓	95% ✓

Raw Material Consumption (tons)¹²	2020	2021	2022	2023
Steel	196,944	233,229	217,973	259,432
Plastics	137,714	165,198	166,968	167,921
Glass	30,117	38,633	40,310	36,772
Paper - Cardboard	14,697	17,681	19,508	13,228
Aluminum	2,857	3,710	5,006	4,322
Paint	2,170	2,527	2,686	2,755
Copper	883	1,181	1,669	949
Cast Iron	21,907	27,421	28,518	30,663

¹¹Waste is disposed of off-site.

¹²Raw materials of the ready-made components were not included in the analysis.

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ANNEX 7: REPORTING PRINCIPLES

Vestel Beyaz Eşya Integrated Annual Report 2023 –Reporting Principles

This reporting principles (“Principles”) provides information on the methodologies for the preparation, calculation and reporting of the data pertaining to the indicators of Vestel Beyaz Eşya ve Ticaret A.Ş. (“the Company” or “Vestel Beyaz Eşya”) within the scope of limited assurance in the Vestel Beyaz Eşya Integrated Annual Report 2023 (“2023 Integrated Annual Report”).

These indicators include social and environmental indicators. It is the responsibility of the Company’s management to ensure that appropriate procedures are in place for the preparation of the indicators set out below, in all material respects, in accordance with the Principles.

The information contained in the Principles covers the fiscal year ending December 31, 2023 and the related operations in Türkiye, which are the responsibility of Vestel Beyaz Eşya as detailed in the “Key Definitions and Scope of Reporting” section. Indicators that include contractors are specified in the “Key Definitions and Scope of Reporting” section. Contractors are not included in indicators that are not specified.

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasize the basic principles of relevance and reliability of information to users of information,
- In the reporting of information - to emphasize the principles of comparability/consistency of information with other data, including prior year, and the principles of understandability/transparency that provide clarity to users.

Key Definitions and Scope of Reporting

For the purposes of this report, the Company makes the following definitions:

Type	Indicator	Scope
	Energy Consumption (MWh)	
	Natural Gas (MWh)	Refers to the amount of natural gas consumed by the Company during the reporting period, which is monitored through the invoices sent by service providers (for a period of 12 months) and can be mapped with financial reporting systems. The amount of consumption includes use for industrial operations as well as domestic use.
	Diesel (MWh)	Refers to the amount of diesel consumed by the Company during the reporting period in relation to the use of stationary combustion generators, which is monitored through the invoices sent by service providers and mapped with financial reporting systems, and in relation to the use of factory vehicles (off-road). Only the portion used for industrial operations is included in the consumption amount.
Environmental	Electricity (MWh)	Refers to the total amount of electricity purchased by the Company during the reporting period, which is monitored through the invoices sent by service providers (for a duration of 12 months). The amount of consumption includes use for industrial operations as well as domestic use.
	Hot Water (MWh)	Refers to the total amount of hot water purchased by the Company during the reporting period, which is monitored through the invoices sent by service providers. Only the portion used for industrial operations is included in the consumption amount.
	Renewable Energy (MWh)	Refers to the amount of renewable energy consumption generated from the solar panels at the Company’s Vestel Beyaz Eşya location during the reporting period, the amount of which is monitored through the tracking system on the Vestel database portal.
	Total (MWh)	Refers to the sum of natural gas, diesel, electricity, hot water and renewable energy consumption in the reporting period.
	Energy Intensity (MWh/mEUR)	Refers to the ratio of total energy consumption to total turnover that can be mapped in the financial report during the reporting period. Turnover data in Euro is calculated with year-end exchange rate.

Type	Indicator	Scope
	Greenhouse Gas Emissions (tonnes CO₂e)	
	Scope 1 (tCO ₂ e)	Refers to the amount of indirect greenhouse gas emissions arising from the Company's electricity, steam and hot water consumption during the reporting period. The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Scope 2 (tCO ₂ e)	Refers to the amount of indirect greenhouse gas emissions arising from the Company's electricity, steam and hot water consumption during the reporting period. The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Total Greenhouse Gas Emissions (Scope 1 and Scope 2) (tCO ₂ e)	Refers to the sum of the Company's Scope 1 Emissions and Scope 2 Emissions during the reporting period.
	Greenhouse Gas Density (tonnes CO ₂ e/mEUR)	Refers to the ratio of total Scope 1 and Scope 2 emissions to total turnover that can be mapped in the financial report during the reporting period. Turnover data in Euro is calculated with year-end exchange rate.
	Scope 3 (tCO ₂ e)	Refers to the sum of the Company's Category 1, Category 2, Category 4, Category 5, Category 5, Category 6, Category 7, Category 9, Category 11 and Category 12 emissions reported under Scope 3 emissions in the reporting period.
Environmental	Category 1 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from the Company's purchases of goods and services and consumption of municipal water, which are included in Category 1 of the categories in the Greenhouse Gas Protocol (GHG Protocol), which can be mapped with financial reporting systems during the reporting period. The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Category 2 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from all capital asset purchases of the Company, which can be mapped with financial reporting systems, which are in Category 2 within the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Category 4 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from the transportation and distribution of products purchased by the Company between the Company's suppliers and its own operations (in vehicles and facilities not owned or controlled by the Company), which are included in Category 4 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Category 5 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from the disposal and processing of wastes generated as a result of the Company's activities by third parties, which are included in Category 5 of the categories in the Greenhouse Gas Protocol (GHG Protocol). Emissions from electrical appliances, mixed paper and cardboard, wood, mineral oil, mixed metal, glass, mixed plastic, household waste, batteries, medical waste, mixed hazardous waste and wastewater discharge are included in the calculation. The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".

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Type	Indicator	Scope
Environmental	Category 6 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from flights, taxi use and accommodation by employees as part of the Company's activities, which are included in Category 6 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol) and monitored by data received from service provider companies during the reporting period. The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Category 7 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from the employee shuttles used for the transportation of the Company's employees to and from work, which are monitored by the invoices of the service provider companies, which are included in Category 7 within the categories in the Company's GHG Protocol (Greenhouse Gas Protocol) during the reporting period. The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Category 9 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from the transportation and distribution of products sold by the Company, which are included in Category 9 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol) . It only includes emissions from the transportation and distribution of after-sales products. The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases-Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Category 11 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions resulting from the lifetime use of the products sold by the Company, which are included in Category 11 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Category 12 (tCO ₂ e)	Refers to the indirect greenhouse gas emissions arising from the disposal of waste generated at the end of the life of the products sold by the Company, which is included in Category 12 within the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Water Withdrawal (m³)	
	Tap Water (m ³)	Refers to the amount of tap water consumed at the Auxiliary Facilities-1 and Auxiliary Facilities-2 during the reporting period, which is purchased from Manisa Organized Industrial Zone (MOIZ) and monitored through invoices (for a period of 12 months).
	Groundwater (m ³)	Refers to the amount of groundwater consumed at the Auxiliary Facilities-1 during the reporting period, which is purchased from Manisa Organized Industrial Zone (MOIZ) and monitored through invoices (for a period of 12 months).
	Rain Water (m ³)	Refers to the amount of rain water obtained during the reporting period from the flow meters in the Company's rain collection tanks and monitored through the Vestel database portal.
	Total Water Withdrawal (m ³)	Refers to the sum of the Company's Tap Water, Groundwater and Rain Water consumption during the reporting period.
	Wastewater Discharged to Network (m ³)	Refers to the amount of wastewater received from Manisa Organized Industrial Zone (MOIZ) and discharged during the reporting period, which is monitored through the monthly usage documents shared by MOIZ, with the assumption that wastewater constitutes 90% of the total of Tap Water, Groundwater and Rain Water.
	Total Net Water Withdrawal (m ³)	Refers to the amount of Wastewater Discharged to the Network subtracted from the Total Water Withdrawal of the Company during the reporting period.
	Amount of Reclaimed Water (m ³)	Refers to the total amount of water reclaimed during the reporting period, which is monitored by the meters in the Company's recycling units, reused in production and recovered during the year.
	Water Density (m ³ /million EUR)	Refers to the ratio of total water withdrawal to the total turnover that can be mapped with the financial report in the reporting period. Turnover data in Euro is calculated with year-end exchange rate.

Type	Indicator	Scope
Environmental	Amount of Waste (tonnes)	
	Total Hazardous Waste (tonnes)	Refers to the sum of the amount of Hazardous Waste Recovered for Energy Generation, the amount of Hazardous Waste Recovered and the amount of Hazardous Waste Sent to Landfill/Solid Waste Site during the reporting period, which is monitored by the Mobile Waste Tracking System (MOTAT) of the Ministry of Environment, Urbanization and Climate Change and declared to the Integrated Environmental Information System.
	Hazardous Waste Recovered for Energy Generation (tonnes)	Refers to the amount of waste declared during the reporting period to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change with a Waste Declaration, monitored through the Ministry's Mobile Waste Tracking System (MOTAT), and recycled by the licensed waste processing facility for energy generation with the code "R"
	Recovered Hazardous Waste (tonnes)	Refers to the amount of waste declared during the reporting period to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change with a Waste Declaration, monitored through the Ministry's Mobile Waste Tracking System (MOTAT), and recovered by the licensed waste processing facility with the code "R".
	Hazardous Waste Sent to Landfill/Solid Waste Site (tonnes)	Refers to the amount of waste declared during the reporting period to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change with a Waste Declaration, monitored through the Ministry's Mobile Waste Tracking System (MOTAT), and sent to the landfill & solid waste site of the licensed waste processing facility with the code "D".
	Total Non-Hazardous Waste (tonnes)	Refers to the Company's total amount of Non-Hazardous Waste Recovered for Energy Generation, Recycled Non-Hazardous Waste and Non-Hazardous Waste Sent to Landfill during the reporting period, which are monitored through invoices and weighbridge receipts obtained from waste processing companies licensed by the Ministry of Environment and Urbanization.
	Non-hazardous Waste Recovered for Energy Generation (tonnes)	Refers to the Company's total waste subjected to the recycling process for the purpose of energy generation and declared to the Ministry of Environment, Urbanization and Climate Change during the reporting period, which is monitored through invoices and weighbridge receipts obtained from the licensed waste processing company.
	Recycled Non-Hazardous Waste (tonnes)	Refers to the Company's total waste subjected to the recycling process and declared to the Ministry of Environment, Urbanization and Climate Change during the reporting period, which is monitored through invoices and weighbridge receipts obtained from the licensed waste processing company.
	Hazardous Waste Sent to Landfill/Solid Waste Site (tonnes)	Refers to the Company's total waste subjected to the landfill and disposal process and declared to the Ministry of Environment, Urbanization and Climate Change during the reporting period, which is monitored through invoices and weighbridge receipts obtained from the licensed waste processing company.
	Total Waste (tonnes)	Refers to the sum of the Company's Total Hazardous Waste and Total Non-Hazardous Waste during the reporting period.
	Total Recycled/Recovered Waste (tonnes)	Refers to the sum of the Company's Recovered Hazardous Waste and Recycled Non-Hazardous Waste during the reporting period.
	Total Waste Disposed (tonnes)	Refers to the Company's Total Recycled/Recovered Waste subtracted from the Company's Total Waste during the reporting period.
	Total Waste Sent to Landfill (tonnes)	Refers to sum of the Company's Non-Hazardous Waste sent to Landfill/ Solid Waste Site and Hazardous Waste sent to Landfill/Solid Waste Site during the reporting period.
	Total Waste Recovered for Energy Generation (tonnes)	Refers to the sum of the Company's Non-Hazardous Waste Recovered for Energy Generation and Hazardous Waste Recovered for Energy Generation during the reporting period.
Recyclability Rate of Waste (%)	Refers to the ratio of the Company's Total Recycled Waste to its Total Waste during the reporting period.	

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Type	Indicator	Scope
Social	Employees by gender (#)	Refers to the breakdown by gender of the total number of employees monitored through the Company's Human Resources data platform during the reporting period, covering all employees logged into the platform as of December 31, 2023, and for whom an employment notification was made to the Social Security Institution.
	Employees by category (#)	Refers to the number of employees monitored through the Company's Human Resources data platform during the reporting period, where employees earning monthly salary are defined as "white-collar" and employees earning hourly salary are defined as "blue-collar".
	Employees by Working Duration (#)	Refers to the total number of employees with a seniority of 0-5 years, 5-10 years and more than 10 years during the reporting period, which is monitored through the Company's Human Resources data platform, based on the employment notification made to the Social Security Institution.
	Average Duration of Employment (Year)	Refers to the number of employees in the reporting period, which is monitored by the Company's Human Resources data platform, declared to the Social Security Institution through the Employment Entry Declaration, and whose average duration is calculated based on their working hours as of 31.12.2023, broken down into male and female.
	Employees by Gender and Age (#)	Refers to the number of employees aged 50 and over, between 30-50 and 30 years old and under during the reporting period, which is monitored through the Company's Human Resources data platform, and created with the date of birth information in the employee files following the employment notification made to the Social Security Institution.
	Managers by Gender and Age (#)	Refers to the number of employees in junior level management positions of Senior Director and Director, middle level management position of Manager and top level management positions of Chief Executive Officer, General Manager, Deputy General Manager, with an age breakdown of 50 years and above, between 30-50, and below 30, monitored through the Company's Human Resources data platform, including all employees who had entered the platform as of December 31, 2023, and whose birth date information was taken from their employee files and for whom an employment notification was made to the Social Security Institution during the reporting period.
	Managers by Category (#)	Refers to the ratio of the number of employees in junior level management positions of Senior Director and Director, middle level management position of Manager and top level management positions of Chief Executive Officer, General Manager, Deputy General Manager during the reporting period.
	Number of Managerial Employees in Revenue-Generating Functions (#)	Refers to the number of men and women working in the following positions, which the Company defines as income-generating positions and which are monitored through the Company's Human Resources data platform: Chief Executive Officer, General Manager and Assistant General Manager, Purchasing department managers, Financial affairs department, finance department managers and all managers working in foreign trade during the reporting period.
	Ratio of Female employees in Management Positions (%)	Refers to the ratio of the number of female employees working at lower management level Senior Manager and Manager positions, middle management level Manager positions and upper management level Chief Executive Officer, General Manager, Assistant General Manager positions to the total number of employees working at management level during the reporting period.
	Ratio of Female in Management Positions in Revenue-Generating Functions (%)	Refers to the ratio of the number of female in management positions in revenue-generating functions to the total number of employees in management positions in revenue-generating functions during the reporting period.
	Number of Employees in STEM Positions (#)	Refers to the number of men and female working in the R&D function, which the Company defines as STEM (Science, Technology, Engineering, Math) positions, and who have a bachelor's degree in engineering, which are monitored through the Company's Human Resources data platform during the reporting period.
	Number of Full-Time Employees in the R&D Department (#)	Refers to the number of full-time male and female employees who are monitored through the Company's Human Resources data platform, whose work organisation is the R&D department and who are defined as 7.5 hours of work per day and 45 hours of work per week within the scope of the Labour Law No. 4857, during the reporting period.
	Ratio of Female Employees in STEM Positions (%)	Refers the ratio of the number of female employees with a bachelor's degree in Engineering and working in the R&D function, which the Company defines as STEM (Science, Technology, Engineering, Math) positions, to the number of employees in STEM positions, as monitored by the Company's Human Resources data platform during the reporting period.
	Number of Employees with Disabilities (#)	Refers to the number of employees of the Company who fall within the definition of persons with disabilities in the Law No. 5378 on Persons with Disabilities, and for whom an employment notification was made to the Social Security Institution during the reporting period.
	Ratio of Non-Managerial Employees (%)	Refers the ratio of the employees who are monitored by the Company's Human Resources data platform, declared to the Social Security Institution through the Employment Entry Declaration, and who are not included in the company's first level, middle level and senior level definitions, to the total number of employees during the reporting period.
Promotion Ratio (%)	Refers to the ratio of the number of male and female employees who were promoted during the reporting period to the total number of employees who were promoted during the reporting period as of 31.12.2023, which is monitored by the Company's Human Resources data platform and declared to the Social Security Institution through the Employment Entry Declaration, in gender breakdown during the reporting period.	

Type	Indicator	Scope
Social	Newly Hired Employees by Gender and Age (#)	Refers to the number of male and female employees aged 50 years and over, 30-50 years and 30 years and under, who were recruited by the Company during the reporting period and declared to the Social Security Institution with the Declaration of Employment within the reporting year, and who are monitored in the Breakdown of Number of Employees at Management Level.
	Employee Turnover Rate (%)	Refers to the ratio of the number of male and female employees to the total number of employees declared to the Social Security Institution of the Company in the reporting period.
	Turnover Rate for Employees Voluntarily Leaving Their Jobs (%)	Refers to the ratio of the number of male and female employees, who were declared to the Social Security Institution of the Company in the reporting period with the Declaration of Leaving Work within the reporting year, and who are followed in the breakdown of those who left voluntarily, to the total number of employees.
	Ratio of Vacant Positions Filled with In-house Candidates (%)	Refers to the ratio of the number of vacant positions filled with internal candidates followed by job change / rotation and internal promotion announcements within the approval of the Company's senior management to the total number of vacant positions during the reporting period.
	Ratio of women who quit their jobs (%)	Refers to the ratio of the number of female who left their jobs as of 31.12.2023 to the total number of employees who left their jobs as of 31.12.2023, which was declared to the Social Security Institution of the Company in the reporting period with the Declaration of Leaving Work during the reporting year.
	Employees on Parental Leave (#)	Refers the number of employees who went on maternity and paternity leave in the reporting period within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, within the periods specified in the regulation.
	Employees Returning from Parental Leave (#)	Refers the number of male and female employees who returned from maternity and paternity leave in the reporting period within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave within the periods specified in the regulation.
	Total Number of Employees Subjected to a Regular Performance and Career Development Review (#)	Refers to the number of people in terms of men and female within the scope of 2 different evaluation systems during the reporting period, which are followed by performance evaluation forms as "Competency Based Performance Evaluation" made with white collar employees who have completed 6 months as of the start date of the Company's year-end performance evaluation period and "Target & Competency Based Performance Evaluation" made with active white collar employees as of the opening of the beginning of the year performance period.
	Number of Contractor Employees (#)	Refers to the total number of male and female employees working for the Company in ISS and EuroServe, which are subcontractors of the Company, during the reporting period.
	Training Hours for Employees (hours)	Refers to the total number of training hours during the reporting period, covering all trainings including OHS Trainings within the Company, which are monitored through the Company's Vestel Academy Training Portal, tracked and recorded with the Company-specific information of employees.
	Training Hours for Contractor Employees (hours)	Refers to the total number of training hours provided and recorded by ISS and Euroserve, the subcontractor companies that the Company works with, to the personnel working for the Company during the reporting period, covering all trainings including OHS Trainings during the reporting period.
	OHS Training Hours for Contractor Employees (hours)	Refers to the total number of compulsory or non-compulsory Occupational Health and Safety training hours given by the Company to the personnel of ISS and Euroserve, the subcontractor companies that the Company works with, which are monitored through the Vestel Academy Training Portal of the Company during the reporting period, and the topics of which are formed according to the hazard class within the scope of the Occupational Health and Safety Law No. 6331.
	OHS Training Hours for Employees (hours)	Refers to the total number of compulsory or non-compulsory Occupational Health and Safety training hours during the reporting period, which are monitored and recorded through the Company's Vestel Academy Training Portal, and which are tracked and recorded with the Company-specific information of the employees, and the topics of which are created according to the hazard class within the scope of the Occupational Health and Safety Law No. 6331.
	Number of Employees Receiving Environmental and Waste Training Number of Employees(#)	Refers to the number of male and female employees who received Environmental Training during the reporting period, which is monitored and recorded through the Company's Vestel Academy Training Portal, and tracked and recorded with the Company-specific information of the employees.
	OHS Performance Indicators	
Number of Fatalities (#)	Refers to the number of individuals, including Company employees and employees of the contractor companies ISS and EuroServe, who were reported during the reporting period to the Social Security Institution and monitored for incidents that fall within the definition of "fatalities" under the Law No. 6331 on Occupational Health and Safety.	
Occupational Disease (#)	Refers to the number of cases, including Company employees and employees of the contractor companies ISS and EuroServe, that were reported during the reporting period to the Social Security Institution and fall within the definition of "occupational disease" under the Law No. 6331 on Occupational Health and Safety.	
Number of Accidents (#)	Refers to the number of incidents that occurred to the Company employees during a work-related activity during the reporting period and prevented them from coming to the workplace on the next shift or working day, which were followed up through notifications made to the Social Security Institution.	
Number of Lost Days (#)	Refers to the total number of lost days during the reporting period, which occurred during a work-related activity of the Company's employees and prevented them from coming to work on the next shift or working day, and which are monitored through notifications made to the Social Security Institution.	

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Preparation of Data

1. Environmental Indicators

Energy consumption (MWh)

The following conversion factors were used in the sub-headings that constitute energy consumption.

Lt-MWh = MWh x 0.01008 (diesel)

Greenhouse Gas Emissions (tCO₂e)

Scope 1 (tCO₂e)

Natural gas, diesel fuel, diesel fuel, gasoline and LPG in company vehicles, direct greenhouse gas emissions from stationary combustion generators and mobile combustion factory vehicles are included in the Scope-1 emissions calculation.

Formula:

Amount of Emission = Activity Data * Emission Factor * Oxidation Factor

Activity Data = Consumption Quantity * Net Calorific Value (TJ)

Oxidation Factor = 1

GWP coefficients were taken from the IPCC 5th Assessment Report and calculated by multiplying the composite ton CO₂-e value by the appropriate coefficients.

Emission Source	NKD	Density	Emission Factors	Unit	References
Fuel Consumption for Heating - Natural Gas	34,54 TJ/10 ⁶ m ³	0.094 m ³ /kWh	0.182	kgCO ₂ e/kWh	IPCC 6 th AR
Generator - Diesel	43.33 TJ/ kton	0.845 kg/lit	2.722	kgCO ₂ e/liter	IPCC 6 th AR
Fuel Consumption in Process - LPG	47.31 TJ/ kton	--	2.988	kgCO ₂ e/kg	IPCC 6 th AR
Company Vehicles for Transportation - Gasoline	44.8 TJ/ kton	0.775 kg/lit	2.506	kgCO ₂ e/liter	IPCC (2006), Vol 2, Chapter 3, Table 3.2.1 ve Table 3.2.2
Company Vehicles for Transportation - Diesel	43.33 TJ/ kton	0.845 kg/lit	2.756	kgCO ₂ e/liter	IPCC (2006), Vol 2, Chapter 3, Table 3.2.1 ve Table 3.2.2
Company Vehicles for Transportation Purposes - LPG	47.31 TJ/ kton	--	3.07	kgCO ₂ e/kg	IPCC (2006), Vol 2, Chapter 3, Table 3.2.1 ve Table 3.2.2
Operational Vehicles - Internal Waste Transportation (Diesel)	43.33 TJ/ kton	0.845 kg/lit	3.00	kgCO ₂ e/liter	IPCC (2006), Vol 2, Chapter 3, Table 3.3.1
Refrigerants - R22	-	-	1,960.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants - R404A	-	-	4,728.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants - R410A	-	-	2,256.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants - R134A	-	-	1,530.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants - R407C	-	-	1,908.00	kgCO ₂ e/kg	IPCC 6 th AR
Fire Extinguishers - CO ₂	-	-	1.00	kgCO ₂ e/kg	IPCC 6 th AR

Scope 2 Emissions (tCO₂e)

Indirect greenhouse gas emissions from the Company's electricity, steam and hot water consumption are included in the Scope-2 emissions calculation.

Formula:

$\text{Amount of Emission} = \text{Activity Data} * \text{Emission Factor} * \text{Oxidation Factor}$

$\text{Activity Data} = \text{Consumption Quantity} * \text{Net Calorific Value (TJ)}$

$\text{Oxidation Factor} = 1$

Emission Source	Emission Factors	Unit	References
Electricity	0.4800	kgCO ₂ e/kWh	Turkey Grid Electricity Emission Factor Information Form
Hot Water	0.1796	kgCO ₂ e/kWh	Defra 2023 – Heat and Steam
Steam	0.1796	kgCO ₂ e/kWh	Defra 2023 – Heat and Steam

Scope 3 Emissions (tCO₂e)

The Company's Scope 3 emissions include emissions from Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 4: Upstream Transportation and Distribution, Category 5: Waste Generated in Operations, Category 6: Business Travel, Category 7: Employee Commuting, Category 9: Downstream Transportation and Distribution, Category 11: Use of Sold Products and Category 12: End of Treatment of Product Sold

Formula:

$\text{Amount of Emission} = \text{Activity Data} * \text{Emission Factor} * \text{Oxidation Factor}$

$\text{Oxidation Factor} = 1$

Scope 3 Categories	Emission Factor Unit	Reference Source
Category 1 - Purchased Goods and Services	kgCO ₂ e/USD	EPA 2007, Supply Chain Emission Factors for US Industries Commodities v1.1
Category 2 - Capital Goods	kgCO ₂ e/USD	EPA 2007, Supply Chain Emission Factors for US Industries Commodities v1.1
Category 4 - Upstream Transportation and Distribution	tCO ₂ e/ton*km	DEFRA 2023, Freightng goods
Category 5 - Waste Generated in Operations	kgCO ₂ e/ton	DEFRA 2023, Waste Disposal
Category 6 - Business Travel	Flights: kgCO ₂ e/km Taxi: kgCO ₂ e/USD Accommodation: kgCO ₂ e/room unit	DEFRA 2023, Business Travels, Air DEFRA 2023, Hotel Stay
Category 7 - Employee Commuting	kgCO ₂ e/km	IPCC (2006), Vol 2, Chapter 3, Table 3.2.1 ve Table 3.2.2 (Vestel Beyaz Eşya)
Category 9 - Downstream Transportation and Distribution	kgCO ₂ e/ton*km	DEFRA 2023, Freightng Goods
Category 11 - Use of Sold Products - Electricity	tonCO ₂ e/kWh	Türkiye: Turkey Electricity Emission Factor & IEA Emissions Factors Other Countries:: Ember Climate
Category 11 - Use of Sold Products - Natural Gas	tonCO ₂ e/kg	Türkiye & Other Countries: IPCC (2006), Vol 2, Chapter 2, Tablo 2.3
Category 11 - Use of Sold Products - LPG	tonCO ₂ e/kg	Türkiye & Other Countries: IPCC (2006), Vol 2, Chapter 2, Table 2.3
Category 12 - End of Life Treatment of Product Sold	kgCO ₂ /kg	DEFRA 2023, Waste Disposal

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Total Hazardous Waste (tonnes)

Formula:

Total Hazardous Waste (tonnes) = Hazardous Waste Recovered for Energy Generation + Recovered Hazardous Waste + Hazardous Waste Sent to Landfill/Solid Waste Site

Total Non-Hazardous Waste (tonnes)

Formula:

Total Non-Hazardous Waste (tons) = NonHazardous Waste Recovered for Energy Generation + Recycled Non-Hazardous Waste + Non-Hazardous Waste Sent to Landfill

Total Waste (tonnes)

Formula:

Total Waste (tonnes) = Total Hazardous Waste + Total Non-Hazardous Waste

Recyclability Rate of Waste (%)

Formula:

Rate of Waste (%) = Total Recycled Waste / Total Waste

2. Social Indicators

Average Duration of Employment (Year)

Formula:

Total working hours (female) / Total Number of Female Employees
Total working hours (male) / Total Number of Male Employees

Share of Women in Management Positions (%)

Share of Women in Junior Management Positions:

Formula:

Number of Female Employees in Junior Management Positions / Number of Employees in Junior Management Positions
Share of Women in Middle Management Positions:

Formula:

Number of Female Employees in Middle Management Positions / Number of Employees in Middle Management Positions
Share of Women in Top Management Positions:

Formula:

Number of Female Employees in Top Management Positions / Number of Employees in Top Management Positions

Share of Women in Management Positions in Revenue-Generating Functions (%)

Formula:

$$\frac{\text{Number of Female Employees in Management Positions in Revenue Generating Functions}}{\text{Number of Employees in Management Positions in Revenue-Generating Functions}}$$

Share of Female Employees in STEM Positions (%)

Formula:

$$\frac{\text{Number of Female Employees in STEM Positions}}{\text{Number of Employees in STEM Positions}}$$

Promotion Ratio (%)

Formula:

$$\frac{\text{Number of Promoted Female Employees}}{\text{Total Number of Promoted Employees}} \div \frac{\text{Number of Male Employees Promoted}}{\text{Total Number of Employees Promoted}}$$

Employee Turnover Rate (%)

Formula:

$$\frac{\text{Number of Employees Leaving Their Jobs}}{\text{Total Number of Employees}}$$

Turnover Rate for Employees Voluntarily Leaving Their Jobs (%)

Formula:

$$\frac{\text{Number of Employees Voluntarily Leaving Their Jobs}}{\text{Total Number of Employees}}$$

Ratio of Vacant Positions Filled with In-house Candidates (%)

Formula:

$$\frac{\text{Number of Open Positions Filled with In-house Candidates}}{\text{Total Number of Open Positions}}$$

Ratio of Women Who Quit Their Jobs (%)

Formula:

$$\frac{\text{Number of Women Quitting Their Jobs}}{\text{Total Number of Employees Quitting Their Jobs}}$$

Re-Statement of Opinion

Measuring and reporting validated data inevitably involves a certain degree of estimation. Where there is a change of more than 5% in the data at the partnership level, a re-statement of opinion may be considered.

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ANNEX 8: UN GLOBAL COMPACT (UNGC) PROGRESS TABLE

Topic	Principles	References
Human Rights	Principle 1: Businesses should support, and respect proclaimed human rights.	Gender Equality, Human Rights and Inclusion, Ethical Principles
	Principle 2: Businesses should not be complicit in human rights abuses.	
Working Standards	Principle 3: Businesses should support workers' freedom of association and collective bargaining.	The Company does not employ any personnel working under the Collective Bargaining Agreement. All employee rights and interests are protected and overseen under the Labor Law No. 4857. The Company signed a collective bargaining agreement with Türk Metal Union on January 30, 2024.
	Principle 4: End forced and compulsory labor.	Gender Equality, Human Rights and Inclusion, Ethical Principles Supply Chain
	Principle 5: All forms of child labor should be stopped.	
	Principle 6: Eliminate discrimination in recruitment and placement.	Gender Equality, Human Rights and Inclusion
Environment	Principle 7: Businesses should support precautionary approaches to environmental problems.	A Net Zero Company Annex 4: Integrated Management Systems and Environmental Management Environmental Performance Indicators
	Principle 8: It should support all kinds of activities and formations that will increase environmental responsibility.	A Net Zero Company Annex 2: Stakeholder Relations Annex 4: Integrated Management Systems and Environmental Management
	Principle 9: Support the development and diffusion of environmentally friendly technologies.	A Net Zero Company Products and Solutions Creating Benefits
Anti Bribery	Principle 10: Business should fight all forms of corruption, including bribery and extortion.	Ethical Principles

ANNEX 9: SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

PRINCIPLE	STATUS OF COMPLIANCE				DESCRIPTION	REPORT INFORMATION/LINK
	YES	NO	PARTIALLY	IRRELEVANT		
A. General Principles						
A1. Strategies, Policies and Goals						
A1.1	The Board of Directors identifies material issues, risks and opportunities for ESG and establishes appropriate ESG policies	x			Risks and opportunities related to ESG issues are presented in the Global Trends, Risks, and Opportunities section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Global Trends, Risks and Opportunities: Page 50
	The Board of Directors issues ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy) and discloses them.	x			ESG policies are explained in the Employees and Quality and Product Safety sections. Management Systems Policy is available here and Zorlu Holding Human Rights Policy here .	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Employees: Page 82 Quality and Product Safety: Page 120
	Short and long term targets set within the scope of ESG policies are disclosed.	x			The targets set within the scope of ESG policies are discussed in general in the Strategic Approach section of the integrated annual report and detailed in the 2030 Targets table.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Strategic Approach: Page 34 2030 Goals: Page 40
A2. Implementation/Monitoring						
A2.1	Committees and/or units responsible for the execution of ESG policies and the highest level responsible persons in the company related to ESG issues and their duties are identified and disclosed.	x			The governance structure designed for activities within the scope of sustainability is addressed in detail in the Sustainability Management section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Sustainability Management: Page 44
	The activities carried out by the responsible committee and/or unit within the scope of the policies are reported to the board of directors at least once a year.	x			Addressed in the Sustainability Management section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Sustainability Management: Page 44
A2.2	Implementation and action plans are created in line with ESG objectives and disclosed.	x			Strategy areas and action plans are presented in the Strategic Approach section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Strategic Approach: Page 34
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement in relation to these indicators on an annual basis are disclosed.	x			Detailed in Annex 6.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections ANNEX 6: Performance Indicators: Page 167
A2.4	Activities to improve the sustainability performance of business processes or products and services are disclosed.	x			Explanations of these processes, products, and services are provided in the Production and Innovation Power, Net Zero Company, Accessible and Smart Products That Make Life Easier sections.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Production and Innovation Power: Page 73 Net Zero Company: Page 102 Accessible and Smart Solutions That Make Life Easier: Page 112

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PRINCIPLE	STATUS OF COMPLIANCE				DESCRIPTION	REPORT INFORMATION/LINK	
	YES	NO	PARTIALLY	IRRELEVANT			
A3. Reporting							
A3.1	Information on the Company's sustainability performance, targets and actions is provided in the annual reports in an understandable, accurate and sufficient manner.	x				The approach, performance, targets, and actions on material topics are transparently shared with stakeholders in the Vestel Elektronik Integrated Annual Report.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections 2030 Goals: Page 40
A3.2	The Company publicly shares information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	x				The report states to which targets the projects launched contribute under each Sustainable Development Goal	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Strategic Approach: Page 34
A3.3	Lawsuits filed against and/or finalized on ESG issues, which are important in terms of ESG policies and/or which may significantly affect operations, are disclosed.	x				Explained in the Ethical Principles section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Ethical Principles: Page 48
A4. Verification							
A4.1	ESG Key Performance Measures of the Company are verified by an independent third party and disclosed.	x				Environmental performance indicators, social performance indicators, carbon and water footprint are verified by independent third parties	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections ANNEX 6: Performance Indicators: Page 167
B. Environmental Principles							
B1	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs of the Company in the field of environmental management are disclosed.	x				Explained in Annex 4: Integrated Management Systems and Environmental Management section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Annex 4: Integrated Management Systems and Environmental Management: Page 163
B2	Restrictions on the scope of the report, reporting period, reporting date and reporting conditions regarding the environmental reports prepared to provide information on environmental management are disclosed.	x				Necessary explanations are given in Annex 1, Annex 4, and Annex 6.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Annex 1: About the Report: Page 158 Annex 4: Integrated Management Systems and Environmental Management: Page 163 ANNEX 6: Performance Indicators: Page 167
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as board members, managers and employees) are disclosed.			x		Although there are sustainability criteria included in the performance system, efforts are underway to increase and diversify these criteria.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102
B5	The means of integration of identified environmental issues into business objectives and strategies are disclosed.	x				Detailed in the Net Zero Company section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102
B7	The management of environmental issues, including suppliers and customers across the value chain throughout the operational process, and their means of integration into business objectives and strategies are disclosed.	x				Presented in the Supply Chain section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Supply Chain: Page 98

PRINCIPLE	STATUS OF COMPLIANCE				DESCRIPTION	REPORT INFORMATION/LINK	
	YES	NO	PARTIALLY	IRRELEVANT			
B8	Whether relevant organizations and civil society organizations were involved in policy-making processes on environmental issues, and collaborations with these institutions are disclosed.	x				The Net Zero Company is explained in Annex 2 and Annex 3.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102 Annex 2: Stakeholder Relations: Page 159 Annex 3: Association Members- hips and Supported Initiatives: Page 162
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), the Company discloses to the public information on its environmental impacts in a comparable manner.	x				Reported in Annex 4: Integrated Management Systems and Environmental Performance Indicators section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Annex 4: Integrated Management Systems and Environmental Management: Page 163 Environmental Performance Indicators: Page 170
B10	Details of the standard, protocol, methodology and base year used to collect and calculate the data are disclosed.	x				Detailed in Annex 4: Integrated Management Systems and Environmental Management section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Annex 4: Integrated Management Systems and Environmental Management: Page 163
B11	The increase or decrease in environmental indicators for the reporting year in comparison with previous years is disclosed.	x				Reported in the Environmental Performance Indicators section and increases and decreases are detailed in the 2030 Targets section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Environmental Performance Indicators: Page 170 2030 Goals: Page 40
B12	Short and long-term targets are set to reduce environmental impacts, and these targets and progress against the targets set in previous years are disclosed.	x				Reported in the Environmental Performance Indicators section and its progress is detailed in the 2030 Targets section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102 Environmental Performance Indicators: Page 170 2030 Goals: Page 40
B13	A strategy was developed to tackle the climate crisis and planned actions were disclosed.	x				The strategy to combat the climate crisis is detailed in the Net Zero Company section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102
B14	Programs or procedures are established and disclosed in order to prevent or minimize the potential negative impact of products and/or services on the environment.	x				All details regarding the Company's eco-friendly products and practices are addressed in the Products and Solutions Creating Benefits section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Products and Solutions Creating Benefits: Page 113
	Actions are taken to reduce the greenhouse gas emissions of third parties (e.g., suppliers, contractors, dealers, etc.) and these actions are disclosed.	x				The Vestel Supplier Monitoring and Development Program was launched to enable suppliers to effectively participate in sustainability processes and understand and improve their current levels.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Supply Chain: Page 98

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	PRINCIPLE	STATUS OF COMPLIANCE				DESCRIPTION	REPORT INFORMATION/LINK
		YES	NO	PARTIALLY	IRRELEVANT		
B15	Environmental benefits/gains and cost savings from initiatives and projects to reduce environmental impacts are disclosed.	x				Detailed in the Net Zero Company section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are disclosed as Scope-1 and Scope-2.	x				Scope-1 and Scope-2 emissions are reported in the Environmental Performance Indicators section for the last 3 years.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Environmental Performance Indicators: Page 170
B17	Disclosures are made to the public on electricity, heat, steam and cooling generated in the reporting year.	x				Explained in the Net Zero Company and Environmental Performance Indicators sections.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102 Environmental Performance Indicators: Page 170
B18	Efforts are made to increase the use of renewable energy and transition to zero or low-carbon electricity and disclosed.	x				Presented in the Net Zero Company section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102
B19	Renewable energy production and utilization data are disclosed.	x				Renewable energy generation and utilization data are reported in the Net Zero Company and Environmental Performance Indicators sections.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102 Environmental Performance Indicators: Page 170
B20	Energy efficiency projects are carried out and the amount of energy consumption and emission reductions achieved through energy efficiency projects are disclosed.	x				Detailed information is presented in the Energy Efficiency section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Energy Efficiency: Page 105
B21	Water consumption, the amount of water withdrawn from underground or above ground, if any, recycled and discharged, sources and procedures are disclosed.	x				Included in the "Environmental Performance Indicators" section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Environmental Performance Indicators: Page 170
B22	Whether any operations or activities are included in any carbon pricing systems (Emissions Trading System, Cap & Trade or Carbon Tax) is disclosed.				x	Vestel is not included in the carbon pricing system.	
B23	Information on the carbon credit accumulated or purchased during the reporting period is disclosed.				x	There is no carbon credit purchased.	
B24	If carbon pricing is applied in partnership with certain institutions, the details are disclosed.				x	Carbon pricing is not applied.	
B25	All platforms where environmental information is presented is disclosed.	x				Explained in the Net Zero Company and Annex 4: Integrated Management Systems and Environmental Management sections.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Net Zero Company: Page 102 Annex 4: Integrated Management Systems and Environmental Management: Page 163

PRINCIPLE	STATUS OF COMPLIANCE				DESCRIPTION	REPORT INFORMATION/LINK
	YES	NO	PARTIALLY	IRRELEVANT		
C. Social Principles						
C1. Human Rights and Employee Rights						
C1.1	A Corporate Human Rights and Employee Rights Policy is created, in which full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye, and the legal framework and legislation regulating human rights and work life in Türkiye is committed. The policy in question and the roles and responsibilities associated with its implementation are disclosed.	x			Gender Equality is explained in the Human Rights and Inclusion section and Zorlu Holding Human Rights Policy, Zorlu Holding Ethical Principles, and Eşit Bi'Hayat (An Equal Life) Gender Equality Manifesto are available at the links below. Zorlu Holding Human Rights Policy Ethical Principles Eşit Bi'Hayat (An Equal Life) Gender Equality Manifesto	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Gender Equality, Human Rights and Inclusion: Page 82
C1.2	Considering supply and value chain impacts, fair labor, improvement of labor standards, women's employment and inclusion issues (such as non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in the employee rights policy.	x			Presented in detail in the Gender Equality, Human Rights, and Inclusion section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Gender Equality, Human Rights and Inclusion: Page 82
C1.3	Measures taken along the value chain to protect the rights of groups (low-income groups, women, etc.) that are sensitive to certain economic, environmental and social factors as well as the protection of minority rights/equal opportunities are disclosed.	x			Explained in the Gender Equality, Human Rights, and Inclusion and Supply Chain sections.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Gender Equality, Human Rights and Inclusion: Page 82 Supply Chain: Page 98
C1.4	Developments regarding the preventive and corrective practices of discrimination, inequality, human rights violations and forced labor and child labor are disclosed.	x			Explained in the Gender Equality, Human Rights, and Inclusion and Detailed in the Supply Chain section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Gender Equality, Human Rights and Inclusion: Page 82 Supply Chain: Page 98
C1.5	Investments made in employees (training, development policies), compensation, fringe benefits, right to unionize, solution for work/life balance, and talent management issues are included in the Company's policy regarding employee rights.	x			Reported in the Employees section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Employees: Page 82
	Mechanisms are established for resolving employee complaints and disputes and dispute resolution processes are identified.	x			Reported in the Employees section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Employees: Page 82
	Activities carried out during the reporting period to ensure employee satisfaction are disclosed to the public.	x			Reported in the Employees section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Employees: Page 82

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PRINCIPLE	STATUS OF COMPLIANCE				DESCRIPTION	REPORT INFORMATION/LINK	
	YES	NO	PARTIALLY	IRRELEVANT			
C1.6	The Company creates and discloses occupational health and safety policies.	x				Detailed in the Occupational Health and Safety section and the related data are reported in the Social Performance Indicators section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Occupational Health and Safety: Page 93 Social Performance Indicators: Page 167
C1.6	Measures taken to prevent occupational accidents and protect health, as well as accident statistics are disclosed.	x				Measures taken to prevent occupational accidents and protect health are reported in the Occupational Health and Safety section and accident statistics in the Social Performance Indicators section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Occupational Health and Safety: Page 93 Social Performance Indicators: Page 167
C1.7	Personal data protection and data security policies are established and disclosed.	x				Explained in the Data Security, and Cyber Risks section and Privacy Policy and Information Text Links are shared below. Privacy Policy Disclosure Text	Vestel Beyaz Eşya Entegre Faaliyet Raporu İlgili Bölüm/Bölümler Veri Güvenliği ve Siber Riskler: Sayfa 80
C1.8	Ethics policy has been established and disclosed to the public.	x				Vestel adopts a way of business conduct based on Zorlu Holding's Ethical Principles. Zorlu Holding Ethical Principles are available here .	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Ethical Principles: Page 48
C1.9	Activities within the scope of social investment, social responsibility, financial inclusion and access to finance are disclosed.	x				Explained in the Social Support section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Social Support: Page 96
C1.10	Information meetings and training programs are organized for employees on ESG policies and practices.	x				Information and trainings on ESG are reported in Sustainability Management, Ethical Principles, Employees, and Annex 4: Integrated Management Systems and Environmental Management section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Sustainability Management: Page 44 Ethical Principles: Page 48 Employees: Page 82 Annex 4: Integrated Management Systems and Environmental Management: Page 163

PRINCIPLE	STATUS OF COMPLIANCE				DESCRIPTION	REPORT INFORMATION/LINK	
	YES	NO	PARTIALLY	IRRELEVANT			
C2. Stakeholders, International Standards and Initiatives							
C2.1	A customer satisfaction policy on the management and resolution of customer complaints is prepared and disclosed.	x				Detailed under the heading of Customer Experience and the Customer Satisfaction Policy can be accessed here .	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Customer Experience: Page 122
C2.2	Information on communication with stakeholders (stakeholder, topic and frequency) is disclosed.	x				Stakeholder Relations are detailed in Annex 2.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Annex 2: Stakeholder Relations: Page 159
C2.3	International reporting standards adopted in reporting are explained.	x				The international reporting standards adopted are provided in Appendix 1: About the Report and Net Zero Company section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Annex 1: About the Report: Page 158 Net Zero Company: Page 102
C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member are disclosed to the public.	x				Member Associations and Supported Initiatives are given in Annex 3.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Annex 3: Association Memberships and Supported Initiatives: Page 162
C2.5	Efforts are undertaken and work is carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.	x				What is done to be included in sustainability indices is explained in detail in the Sustainability Management section.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Sustainability Management: Page 44
D. Corporate Governance Principles							
D1	Stakeholders' opinions are sought in determining the measures and strategies in the field of sustainability.	x				The prioritization analysis was carried out in line with the views of 2,372 stakeholders.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Prioritization Analysis: Page 36 Annex 2: Stakeholder Relations: Page 159
D2	Social responsibility projects, awareness-raising events and trainings are carried out to raise awareness on sustainability and its importance.	x				Ethical Principles, Employees, and Social Support sections.	Vestel Beyaz Eşya Integrated Annual Report Relevant Section/Sections Ethical Principles: Page 48 Employees: Page 82 Social Support: Page 96

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ANNEX 10: TCFD INDEX

TCFD Recommendations	Disclosures	Reference
Governance	The Boards of Directors' oversight of climate-related risks and opportunities	44-47
	Management's role in assessing and managing risks and opportunities	44-47, 50-51
Strategy	Climate-related risks and opportunities the organization has identified over the short, medium, and long term	58-62
	The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	58-62
	The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a +2°C scenario or lower	58-62
Risk Management	The organization's processes for identifying and assessing climate-related risks	58-62
	The organization's processes for managing climate-related risks	58-62
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	58-62
Metrics and Targets	The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	40-41, 58-62
	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	40, 170
	The targets used by the organization to manage climate-related risks and opportunities and performance against targets	40-41

ANNEX 11: SASB INDEX

Accounting Metric	Reference	Code
Product Safety		
(1) Number of recalls issued and (2) total units recalled	Quality and Product Safety, p. 120	CG-AM-250a.1
Discussion of process to identify and manage safety risks associated with the use of its products	Quality and Product Safety, p. 120, 121	CG-AM-250a.2
Total amount of monetary losses because of legal proceedings associated with product safety	Quality and Product Safety, p. 120	CG-AM-250a.3
Product Lifecycle Environmental Impacts		
Percentage of eligible products by revenue certified to an energy efficiency certification	Products and Solutions Creating Benefits, p. 113	CG-AM-410a.1
Percentage of eligible products by revenue certified to an environmental product lifecycle standard	Products and Solutions Creating Benefits, p. 113	CG-AM-410a.2
Description of efforts to manage products' end-of-life impacts	Products and Solutions Creating Benefits, p. 113	CG-AM-410a.3

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ANNEX 12: LIMITED ASSURANCE REPORT

LIMITED ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.

We have been engaged by the Board of Directors of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. (“Company” or “Vestel Beyaz Eşya”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Vestel Beyaz Eşya Integrated Annual Report 2023 (the “Integrated Report 2023”) for the year ended 31 December 2023 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2023, which is subject to our limited assurance work, set out in the pages 95, 104, 105, 111, 167, 168, 169, 170 and 171 of the Integrated Report 2023 with the sign “✔” is summarized below:

Social Performance Indicators

• Sosyal Performans Göstergeleri

- o Employees by Gender (#)
- o Employees by Category (#)
- o Employees by Working Duration (#)
- o Employees by Gender and Age (#)
- o Managers by Gender and Age (#)
- o Managers by Categories (#)
- o Number of Employees in Science, Technology, Engineering and Math (STEM)-related Positions (#)
- o Ratio of Female Employees in STEM Positions (%)
- o Number of Full-Time Employees in R&D Department (#)
- o Number of Employees with Disabilities (#)
- o Ratio of Non-Managerial Employees (%)
- o Promotion Ratio (%)
- o Newly-Hired Employees by Gender and Age (#)
- o Employee Turnover Rate (%)
- o Turnover Rate for Employees Voluntarily Leaving Their Jobs (%)
- o Ratio of Vacant Positions Filled with In-house Candidates (%)
- o Ratio of Women Who Quit Their Jobs (%)
- o Number of Employees Who Took Parental Leave (#)
- o Employees Returning from Parental Leave (#)
- o Total Number of Employees Subjected to a Regular Performance and Career Development Review (#)
- o Contractor Employees by Gender (#)
- o Training Hours for Employees (hour)
- o Training Hours for Contractor Employees (hour)
- o OHS Training Hours for Employees (hour)
- o OHS Training Hours for Contractor Employees (hour)
- o Number of Employees Receiving Environmental and Waste Training Number of Employees (#)
- o Number of Fatalities (#)
- o Occupational Disease (#)
- o Number of Accidents (#)
- o Number of Lost Days (#)



Environmental Performance Indicators

• Energy Consumption (MWh)

- Natural Gas (MWh)
- Diesel (MWh)
- Electricity (MWh)
- Renewable Energy (Electricity) (MWh)
- Hot Water (MWh)
- Total Energy Consumption (MWh)
- Energy Density (MWh / mEUR)

• Greenhouse Gas Emissions (tons CO₂e)

- Scope 1 Greenhouse Gas Emissions (tons CO₂e)
- Scope 2 Greenhouse Gas Emissions (tons CO₂e)
- Total (Scope 1 and Scope 2) Greenhouse Gas Emissions (tons CO₂e)
- Scope 3 Total Greenhouse Gas Emissions (tons CO₂e)
- Category 1 Greenhouse Gas Emissions (tons CO₂e)
- Category 2 Greenhouse Gas Emissions (tons CO₂e)
- Category 4 Greenhouse Gas Emissions (tons CO₂e)
- Category 5 Greenhouse Gas Emissions (tons CO₂e)
- Category 6 Greenhouse Gas Emissions (tons CO₂e)
- Category 7 Greenhouse Gas Emissions (tons CO₂e)
- Category 9 Greenhouse Gas Emissions (tons CO₂e)
- Category 11 Greenhouse Gas Emissions (tons CO₂e)
- Category 12 Greenhouse Gas Emissions (tons CO₂e)
- Greenhouse Gas Density (tons CO₂e/mEUR)

• Water Withdrawal (m³)

- Tap Water (m³)
- Groundwater (m³)
- Rain Water (m³)
- Total Water Withdrawal (m³)
- Amount of Waste Water Discharged to the Network (m³)
- Total Net Water Consumption (m³)
- Amount of Recycled Water (m³)
- Water Density (m³/mEUR)

• Amount of Waste (tons)

- Total Amount of Hazardous Waste (tons)
- Hazardous Waste Incinerated for Energy Generation (tons)
- Recovered Hazardous Waste (tons)
- Hazardous Waste Sent to Landfill / Solid Waste Site (tons)
- Total Amount of Non-Hazardous Waste (tons)
- Non-Hazardous Waste Incinerated for Energy Generation (tons)
- Recycled Non-Hazardous Waste (tons)
- Non-Hazardous Waste Sent to Landfill / Solid Waste Site (tons)
- Total Waste (tons)
- Total Recycled / Recovered Waste (tons)
- Total Waste Disposed (tons)
- Total Waste Sent to Landfill / Solid Waste Site (tons)
- Total Waste Incinerated for Energy Generation (tons)
- Recyclability Rate of Waste (%)

ANNEXES



Our assurance was with respect to the Selected Information marked with “✔” in the in the Integrated Report 2023, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with “✔” in the Integrated Report 2023 and, any other elements included in the Integrated Report 2023 and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Selected Information is set out in section the “Vestel Beyaz Eşya Integrated Annual Report 2023 – Reporting Principles” (the “Reporting Principles”) on pages 172, 173, 174, 175, 176, 177,178, 179, 180 and 181 of the Integrated Report 2023.

The Company’s Responsibility

The Company is responsible for the content of the Integrated Report 2023 and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of the persons responsible for the Selected Information;
- Understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- Evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- Performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and;
- Undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Selected Information for the year ended 31 December 2023, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist the Board of Directors in reporting Company's performance and activities related to the Selected Information. We permit the disclosure of this report within the Integrated Annual Report 2023 for the year ended 31 December 2023, to enable the Board of Directors of the Company to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. as a body Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Serdar Inanç, SMMM
Independent Auditor

Istanbul, 18 July 2024

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL REPORT

STATEMENT OF RESPONSIBILITY PURSUANT TO THE ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS NO. II-14.1

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF THE ANNUAL REPORT

RESOLUTION DATE: 08.05.2024

RESOLUTION NUMBER: 2024/22

We hereby declare that the annual report for the year 2023 prepared by Vestel Beyaz Eşya Sanayi ve Ticaret AŞ in accordance with the Turkish Commercial Code and the Capital Markets Board's Communiqué on the "Principles of Financial Reporting in Capital Markets" No. II-14.1 ("Communiqué") and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ

- Has been reviewed by us in line with the Capital Markets Board regulations,
- Based on the information we possess within the scope of our duties and responsibilities in the Company, the annual report does not contain any incorrect statement or any omission of material facts which may result in a misleading conclusion as of the date of issuance,
- Based on the information we possess within the scope of our duties and responsibilities in the Company, the annual report prepared in accordance with the Communiqué presents fairly the progress and the performance of the business and the financial position of the Company along with the material risks and uncertainties the Company is exposed to.



Chairman of the Audit Committee
Elmas Melih Araz



Member of the Audit Committee
Bekir Ağır



Chief Financial Officer
Bülent Kiracıoğlu

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Vestel Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi

1. Opinion

Vestel Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi'nin ("Şirket") 1 Ocak - 31 Aralık 2023 tarihli hesap dönemine ilişkin yıllık faaliyet raporunu denetlemiş bulunuyoruz.

Görüşümüze göre, Yönetim Kurulu'nun yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulu'nun Şirket'in durumu hakkında denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemeler, tüm önemli yönleriyle, denetlenen tam set finansal tablolarla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlıdır ve gerçeği yansıtmaktadır.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 6 April 2024 on the full set financial statements for the 1 January - 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Company's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited[consolidated] financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Serdar İnanç, SMMM
Independent Auditor

Istanbul, 8 May 2024

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY PURSUANT TO THE ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS NO. II-14.1

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF FINANCIAL STATEMENTS

RESOLUTION DATE: 05.04.2024

RESOLUTION NUMBER: 2024/12

We hereby declare that the financial statements for the fiscal year 2023 prepared by Vestel Beyaz Eşya Sanayi ve Ticaret AŞ in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards published by the Public Oversight, Accounting and Auditing Standards Authority pursuant to the Capital Markets Board's Communiqué on the "Principles of Financial Reporting in Capital Markets" No. II-14.1 ("Communiqué") and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ

- Have been reviewed by us in line with the Capital Markets Board regulations,
- Based on the information we possess within the scope of our duties and responsibilities in the Company, the financial statements do not contain any incorrect statement or any omission of material facts which may result in a misleading conclusion as of the date of issuance,
- Based on the information we possess within the scope of our duties and responsibilities in the Company, the financial statements prepared in accordance with the applicable financial reporting standards present fairly the assets, liabilities, financial position and the results of operations of the Company and we are responsible for the announcement made.



Vice Chairperson
Elmas Melih Araz



Board Member
Bekir Ağırdir



Chief Financial Officer
Bülent Kiracıoğlu

VESTEL BEYAZ EŐYA SANAYİ VE TİCARET ANONİM ŐİRKETİ
CONVENIENCE TRANSLATION
INTO ENGLISH OF FINANCIAL
STATEMENTS AT
1 JANUARY - 31 DECEMBER 2023
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Vestel Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of Vestel Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi (the "Company") which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Application of TAS 29, “Financial Reporting in Hyperinflationary Economies”</p>	
<p>As described in Note 2, the Company has applied TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) in its financial statements as at and for the year ending 31 December 2023.</p> <p>TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The application of TAS 29 has a pervasive and material impact on the financial statements and the impact of TAS 29 is reliant upon a number of key judgements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional associated audit effort, the application of TAS 29 has been identified as a key audit matter for our audit.</p>	<p>The following audit procedures were addressed in our audit work for the application of TAS 29:</p> <ul style="list-style-type: none"> • Understanding and evaluating the process and controls related to the implementation of TAS 29 designed and implemented by management, • Verifying whether the determination of monetary and non-monetary items made by the management is in compliance with TAS 29, • Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis, • Evaluating the calculation methods used by management and verifying whether they are consistently used in all periods, • Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, • Evaluating the mathematical accuracy of non- monetary items, income statement, other comprehensive income statement and cash flow statement adjusted for inflation effects, • Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the financial statements in accordance with TFRS.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Fair value measurement of lands, land improvements and buildings</p> <p>As explained in Note 2 of the accompanying financial statements, in accordance with the relevant provisions of TAS 16 “Tangible Fixed Assets”, the Company measured its lands, land improvements and buildings at their fair values.</p> <p>As explained in Note 11 of the accompanying financial statements, as a result of the valuations made by the independent professional valuation firm appointed by the Company management as of 31 December 2023, the total fair value increase in the carrying values of lands, land improvements and buildings was TL4.518.693 thousands before deferred income tax and the total amount of the carrying value of those assets was TL12.808.463 thousands as of 31 December 2023.</p> <p>The aforementioned fair value increase was accounted for in the gains on “Revaluation of Property, Plant and Equipment” reserve under shareholders’ equity in the accompanying statement of financial position by deducting the deferred income tax effect.</p> <p>We considered the fair value determination of lands, land improvements and buildings as a key audit matter, since the amount of those assets has a significant share in the Company’s assets as of 31 December 2023 and the valuations techniques applied include significant judgements and assumptions, such as determination of benchmark prices and construction costs per m².</p>	<p>The following audit procedures were addressed in our audit work for the fair value measurement of lands, land improvements and buildings:</p> <ul style="list-style-type: none"> • The competency, capability and objectivity of the independent professional valuers that who were appointed by the Company management were assessed. • The consistency of the data used by the independent professional valuation agency appointed by the Company management was checked with the Company ‘s records on a sample basis. • We involved our auditor expert who holds CMB accreditation and valuation licence, on a sample basis to evaluate the assumptions and methods used by the Company management and the independent professional valuation company. The following audit procedures were performed based on the sampling method with the support of the auditor’s expert: <ul style="list-style-type: none"> • Comparison of the location, ownership and square meter information for the lands included in reports with the land registers. • Evaluation of the qualifications of the lands, land improvements and buildings. • Evaluation of the appropriateness of the valuation methods and estimates used. • We assessed the adequacy and appropriateness of the disclosures related to revaluation of lands, land improvements and buildings in the financial statements in accordance with TFRS.



Key Audit Matters	How the key audit matter was addressed in the audit
<p data-bbox="164 573 833 604">Recoverability of trade receivables (Refer to Notes 2,6 and 7)</p> <p data-bbox="164 615 833 699">Trade receivables amounting to TL13.891.890 thousands as of 31 December 2023, constitute a significant portion of the financial statements of the Company.</p> <p data-bbox="164 730 833 961">The assessment of the recoverability of these receivables made by the Company management includes considerations of the amount of guarantees/collateral received from the customers, past collection performance, analysis of aging of receivables and litigations regarding receivables. As a result of all of these assessments, determination of doubtful receivables and setting of impairment provision for these receivables also include management judgements and estimates.</p> <p data-bbox="164 993 833 1045">Therefore, recoverability of trade receivables is a key matter for our audit.</p>	<p data-bbox="833 615 1500 678">We performed the following procedures in relation to the audit of recoverability of trade receivables:</p> <ul data-bbox="833 720 1500 1486" style="list-style-type: none"> <li data-bbox="833 720 1500 804">• We understood and assessed the Company’s credit risk management and receivables monitoring policies including credit limits. <li data-bbox="833 835 1500 888">• We tested receivables by obtaining confirmation letters on a sample basis. <li data-bbox="833 919 1500 951">• We analyzed the aging of receivables on a sample basis. <li data-bbox="833 982 1500 1035">• We tested, on a sample basis, collections in the subsequent period. <li data-bbox="833 1066 1500 1119">• We tested, on a sample basis, guarantees/ collaterals held from customers. <li data-bbox="833 1150 1500 1266">• We performed inquiries with management in relation to any disputes or litigation for trade receivables and obtained formal assessment of legal counsels on outstanding litigations and disputes. <li data-bbox="833 1297 1500 1381">• We performed inquired with the Company management to assess the basic assumptions and other judgments that form the basis of impairment calculations. <li data-bbox="833 1413 1500 1486">• We assessed the appropriateness and adequacy of disclosures in the notes to the financial statements related to recoverability of trade receivables in accordance with TFRS.



4. Other matters

The financial statements of the Company for the year ended 31 December 2022 were audited by another firm of auditors whose report, dated 17 February 2023, expressed an unmodified opinion on those statements.

5. Responsibilities of management and those charged with governance for the financial statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

6. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. in accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. in accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 6 April 2024.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Serdar İnanç, SMMM
Independent Auditor

Istanbul, 6 April 2024

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Financial Position (Balance Sheet)

as of 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	729.540	953.664
Financial Assets		8.968	66.069
Trade Receivables		13.891.890	14.222.773
Trade Receivables Due from Related Parties	6	13.379.322	13.877.597
Trade Receivables Due from Third Parties	7	512.568	345.176
Other Receivables		3.614.671	5.202.972
Other Receivables Due from Related Parties	6	2.624.267	3.959.759
Other Receivables Due from Third Parties	8	990.404	1.243.213
Derivative Financial Instruments	27	35.076	9.467
Inventories	9	7.235.371	7.603.835
Prepaid Expenses		878.463	223.763
Prepayments to Related Parties	6	339.628	-
Prepayments to Third Parties	10	538.835	223.763
Current Tax Assets	25	16.495	77
Other Current Assets		84.876	64.179
Other Current Assets Due from Third Parties	18	84.876	64.179
TOTAL CURRENT ASSETS		26.495.350	28.346.799
NON-CURRENT ASSETS			
Other Receivables		6.007	41.305
Other Receivables Due from Third Parties	8	6.007	41.305
Property, Plant and Equipment	11	21.580.849	15.190.928
Right of Use Assets	12	671.165	395.236
Intangible Assets	13	1.379.734	1.045.457
Prepaid Expenses		780.921	770.734
Prepaid Expenses to Related Parties	6	563.826	-
Prepayments to Third Parties	10	217.095	770.734
TOTAL NON-CURRENT ASSETS		24.418.676	17.443.660
TOTAL ASSETS		50.914.026	45.790.459

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Financial Position (Balance Sheet)

as of 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
LIABILITIES			
CURRENT LIABILITIES			
Short Term Borrowings		2.162.460	8.995.832
Short Term Borrowings from Related Parties		3.555	2.607
Lease Liabilities	5,6	3.555	2.607
Short Term Borrowings from Third Parties		2.158.905	8.993.225
Bank Loans	5	2.152.356	8.975.606
Lease Liabilities	5	6.549	17.619
Current Portion of Long Term Borrowings		1.081.879	1.122.058
Current Portion of Long Term Borrowings from Third Parties		1.081.879	1.122.058
Bank Loans	5	312.971	16.596
Issued Debt Instruments	5	768.908	1.105.462
Other Financial Liabilities	30	57.891	-
Trade Payables		17.123.491	17.511.724
Trade Payables to Related Parties	6	1.352.613	1.036.390
Trade Payables to Third Parties	7	15.770.878	16.475.334
Payables Related to Employee Benefits	17	289.996	280.136
Other Payables		3.414.930	1.227.920
Other Payables to Related Parties	6	3.414.930	1.227.920
Derivative Financial Liabilities	27	386.130	586.500
Deferred Revenue		477.770	396.824
Deferred Revenues from Related Parties	8	477.418	12.748
Deferred Revenue from Third Parties	8	352	384.076
Current Tax Liabilities	25	10.170	-
Current Provisions		14.443	18.748
Other Current Provisions	15	14.443	18.748
Other Current Liabilities		192.376	225.340
Other Current Liabilities to Third Parties	18	192.376	225.340
TOTAL CURRENT LIABILITIES		25.211.536	30.365.082

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Financial Position (Balance Sheet)

as of 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
NON-CURRENT LIABILITIES			
Long Term Borrowings		1.344.802	126.889
Long Term Borrowings from Related Parties		133.313	113.319
Lease Liabilities	5,6	133.313	113.319
Long Term Borrowings from Third Parties		1.211.489	13.570
Bank Loans	5	1.205.031	3.158
Lease Liabilities	5	6.458	10.412
Other Financial Liabilities	30	257.015	-
Trade Payables		178.174	301.331
Trade Payables to Third Parties	7	178.174	301.331
Non-current Provisions		676.641	854.775
Non-current Provisions for Employee Benefits	17	676.641	854.775
Deferred Tax Liabilities	25	1.644.764	581.582
Other Non-current Liabilities		11.315	6.361
Other Non-current Liabilities to Third Parties		11.315	6.361
TOTAL NON-CURRENT LIABILITIES		4.112.711	1.870.938
TOTAL LIABILITIES		29.324.247	32.236.020

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Financial Position (Balance Sheet)

as of 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
EQUITY			
Equity Attributable to Owners of Parent		21.589.779	13.554.439
Issued Capital	19	1.600.000	1.600.000
Adjustments on Capital	19	6.231.085	6.231.085
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified to Profit or Loss		3.461.763	(396.882)
Gains (Losses) on Revaluation and Remeasurement		3.461.763	(396.882)
Increases on Revaluation of			
Property, Plant and Equipment		4.041.312	41.291
Losses on Remeasurement of Defined Benefit Plans		(579.549)	(438.173)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss		(186.382)	(181.423)
Losses on Hedge		(186.382)	(181.423)
Losses on Cash Flow Hedges		(186.382)	(181.423)
Restricted Reserves		1.198.318	1.239.341
Legal Reserves	19	1.198.318	1.239.341
Prior Years' Profits	19	4.560.543	4.850.530
Current Period Net Profit		4.724.452	211.788
TOTAL EQUITY		21.589.779	13.554.439
TOTAL LIABILITIES AND EQUITY		50.914.026	45.790.459

Financial statements for the period 1 January - 31 December 2023 were approved by the Board of Directors of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. on 5 April 2024. The general assembly and certain regulatory bodies have the authority to make changes to the statutory financial statements after they are published.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Profit or Loss and Other Comprehensive Income for the Period 1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
PROFIT OR LOSS			
Revenue	20	61.069.905	59.583.113
Cost of Sales	20	(51.094.963)	(53.782.067)
GROSS PROFIT		9.974.942	5.801.046
General Administrative Expenses	22	(525.816)	(587.475)
Marketing Expenses	22	(2.950.832)	(3.778.749)
Research and Development Expense	22	(557.891)	(540.284)
Other Income from Operating Activities	23	5.056.725	3.379.620
Other Expenses from Operating Activities	23	(8.305.329)	(5.725.993)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		2.691.799	(1.451.835)
PROFIT/(LOSS) BEFORE FINANCING INCOME		2.691.799	(1.451.835)
Finance Income	24	2.991.163	5.212.032
Finance Costs	24	(4.775.975)	(5.725.226)
Monetary Gain		4.593.697	2.431.144
PROFIT FROM CONTINUING OPERATIONS, BEFORE TAX		5.500.684	466.115
Tax (Expense) Income, Continuing Operations		(776.232)	(254.327)
Current Tax Expense	25	(182.322)	(6.277)
Deferred Tax Income	25	(593.910)	(248.050)
PROFIT FOR THE PERIOD		4.724.452	211.788
Earnings per 100 share with a Kr 1 of Par Value (TL)	26	2,95	0,13

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Profit or Loss and Other Comprehensive Income

for the Period 1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
PROFIT FOR THE PERIOD OTHER COMPREHENSIVE INCOME	4.724.452	211.788
Other Comprehensive Income that will not be Reclassified to Profit or Loss	3.859.266	(396.882)
Gains (Losses) on Revaluation of Property, Plant and Equipment	4.518.693	51.015
Gains (Losses) on Remeasurements of Defined Benefit Plans	(188.502)	(547.716)
Taxes Relating to Components of Other Comprehensive Income	(470.925)	99.819
Taxes Relating to Gains (Losses) on Revaluation	(518.051)	(9.724)
Taxes Relating to Remeasurements of Defined Benefit Plans	47.126	109.543
Other Comprehensive Income that will be Reclassified to Profit or Loss	(4.959)	(565.774)
Other Comprehensive Income (Loss) Related with Cash Flow Hedges	(6.612)	(707.218)
Gains (Losses) on Cash Flow Hedges	(6.612)	(707.218)
Taxes Relating to Components of Other Comprehensive Income	1.653	141.444
Taxes Relating to Cash Flow Hedges	1.653	141.444
OTHER COMPREHENSIVE INCOME	3.854.307	(962.656)
TOTAL COMPREHENSIVE INCOME	8.578.759	(750.868)

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Changes in Shareholders' Equity for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

Previous Period 1 January -31 December 2022	Inflation Adjustments on Capital	Issued Capital	Increases (Decreases) on Revaluation of Property, Plant and Equipment	Gains (Losses) on Remeasure- ment of Defined Benefit Plans	Gains (Losses) on Revaluations and Remeasurements	Accumulated Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	Cash Flow Hedges	Reserve Of Gains or Losses on Hedge	Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	Restricted Reserves From Profits	Prior Years' Profits or Losses	Net Profit or Loss	Retained Earnings	Equity attributable to owners of parent
Beginning of Period	6.231.085	1.600.000	-	-	-	-	384.351	384.351	384.351	982.003	6.514.120	-	6.514.120	15.711.559
Total Comprehensive Income (Loss)	-	-	41.291	(438.173)	(396.882)	(396.882)	(565.774)	(565.774)	(565.774)	-	-	211.788	211.788	(750.868)
Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	211.788	211.788	211.788
Other Comprehensive Income (Loss)	-	-	41.291	(438.173)	(396.882)	(396.882)	(565.774)	(565.774)	(565.774)	-	-	-	-	(962.656)
Dividends Paid (Note 8)	-	-	-	-	-	-	-	-	-	257.338	(1.663.590)	-	(1.663.590)	(1.406.252)
End of Period	6.231.085	1.600.000	41.291	(438.173)	(396.882)	(396.882)	(181.423)	(181.423)	(181.423)	1.239.341	4.850.530	211.788	5.062.318	13.554.439
Current Period 1 January -31 December 2023														
Opening Balance	6.231.085	1.600.000	41.291	(438.173)	(396.882)	(396.882)	(181.423)	(181.423)	(181.423)	1.239.341	4.850.530	211.788	5.062.318	13.554.439
Transfers	-	-	(621)	-	(621)	(621)	-	-	-	-	212.409	(211.788)	621	-
Total Comprehensive Income (Loss)	-	-	4.000.642	(141.376)	3.859.266	3.859.266	(4.959)	(4.959)	(4.959)	-	-	4.724.452	4.724.452	8.578.759
Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	4.724.452	4.724.452	4.724.452
Other Comprehensive Income (Loss)	-	-	4.000.642	(141.376)	3.859.266	3.859.266	(4.959)	(4.959)	(4.959)	-	-	-	-	3.854.307
Dividends Paid (Note 8)	-	-	-	-	-	-	-	-	-	(41.023)	(502.396)	-	(502.396)	(543.419)
Closing Balance	6.231.085	1.600.000	4.041.312	(579.549)	3.461.763	3.461.763	(186.382)	(186.382)	(186.382)	1.198.318	4.560.543	4.724.452	9.284.995	21.589.779

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Cash Flow for the Period 1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		3.907.270	2.950.418
Profit (Loss) for the Period		4.724.452	211.788
Profit (Loss) from Continuing Operations		4.724.452	211.788
Adjustments to Reconcile Profit		(645.247)	998.353
Adjustments for Depreciation and Amortisation Expense	11,12,13	1.955.535	1.984.892
Adjustments for Impairment Loss			
(Reversal of Impairment Loss) Adjustments for Impairment Loss		(35.589)	36.058
(Reversal of Impairment Loss) of Receivables		657	(433)
Adjustments for Impairment Loss			
(Reversal of Impairment Loss) of Inventories	9	(36.246)	36.491
Adjustments for Provisions		143.408	105.305
Adjustments for (Reversal of) Provisions Related with Employee Benefits		147.713	112.875
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	15	(4.305)	(7.570)
Adjustments for Interest (Income) Expenses		2.130.731	898.048
Adjustments for Interest Income	24	(309.343)	(426.956)
Adjustments for Interest Expense	24	2.440.074	1.325.004
Adjustments for Unrealised Foreign Exchange Losses (Gains)		(1.121.645)	354.067
Adjustments for Fair Value Losses (Gains)		(232.591)	(239.294)
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		(232.591)	(239.294)
Adjustments for Tax (Income) Expenses	25	776.232	254.327
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		(12.703)	(10.039)
Adjustments for Losses (Gains) Arised from Sale of Tangible Assets		(12.703)	(10.039)
Other Adjustments to Reconcile Profit (Loss)	4	14	24
Monetary Loss/Gain		(4.248.639)	(2.385.035)

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Cash Flow for the Period 1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Changes in Working Capital		197.540	1.797.543
Adjustments for Decrease (Increase) in Trade Accounts Receivable		330.226	(272.599)
Decrease (Increase) in Trade Accounts Receivables from Related Parties	6	498.275	(8.609)
Decrease (Increase) in Trade Accounts Receivables from Third Parties	7	(168.049)	(263.990)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		288.107	(114.411)
Decrease (Increase) in Other Third Party Receivables Related with Operations	8	288.107	(114.411)
Adjustments for Decrease (Increase) in Inventories	9	404.710	(56.455)
Decrease (Increase) in Prepaid Expenses	10	(654.700)	178.236
Adjustments for Increase (Decrease) in Trade Accounts Payable		(196.484)	1.508.539
Increase (Decrease) in Trade Accounts Payables to Related Parties	6	316.223	1.036.390
Increase (Decrease) in Trade Accounts Payables to Third Parties		(512.707)	472.149
Increase (Decrease) in Employee Benefit Liabilities	17	9.860	93.742
Increase (Decrease) in Deferred Revenues		80.946	396.758
Other Adjustments for Other Increase (Decrease) in Working Capital		(65.125)	63.733
Decrease (Increase) in Other Assets Related with Operations	18	(37.115)	(55.209)
Increase (Decrease) in Other Payables Related with Operations	18	(28.010)	118.942
Cash Flows from (used in) Operations		4.276.745	3.007.684
Payments Related with Provisions for Employee Benefits	17	(233.867)	(49.777)
Income Taxes Refund (Paid)	25	(135.608)	(7.489)

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Statement of Cash Flow for the Period 1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(1.892.815)	(5.160.669)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets	19.882	32.334
Proceeds from Sales of Property, Plant and Equipment	19.882	32.334
Purchase of Property, Plant, Equipment and Intangible Assets	(4.055.726)	(6.258.774)
Purchase of Property, Plant and Equipment	11 (3.592.667)	(6.005.306)
Purchase of Intangible Assets	13 (463.059)	(253.468)
Cash Advances and Loans Made to Other Parties	2.085.928	1.131.840
Cash Advances and Loans Made to Related Parties	1.281.628	1.530.524
Cash Advances and Loans Made to Third Parties	804.300	(398.684)
Other Cash Inflows (Outflows)	57.101	(66.069)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1.900.663)	2.210.274
Proceeds from Borrowings	7.025.475	12.050.498
Proceeds from Loans	5 5.696.297	11.390.048
Proceeds from Other Financial Borrowings	1.329.178	660.450
Repayments of Borrowings	(9.392.432)	(3.190.269)
Loan Repayments	5 (8.025.750)	(3.120.555)
Issued bonds repayments	(1.366.682)	(69.714)
Increase in Other Payables to Related Parties	2.804.538	(3.778.992)
Payments of Lease Liabilities	5.918	(264.176)
Dividends Paid	6 (543.419)	(1.406.252)
Interest Paid	(1.821.230)	(1.224.175)
Interest Received	20.487	23.640
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES	113.792	23
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS	(374.889)	648.247
Effect of Exchange Rate Changes on Cash and Cash Equivalents	36.987	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(224.110)	648.270
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4 953.628	305.358
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	729.518	953.628

The accompanying notes are an integral part of these financial statements.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 1 - COMPANY'S ORGANISATION AND NATURE OF OPERATIONS

Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. (the "Company" or "Vestel Beyaz Eşya") was incorporated in 1997 under the Turkish Commercial Code and its head office is located at Levent 199, Büyükdere Caddesi No: 199, 34394 Şişli / İstanbul.

The Company started its operations in 1999 and produces refrigerators, room air conditioning units, washing machines, cookers, dishwashers and water heaters. The Company's production facilities occupy 509 square meters of enclosed area located in Manisa Organized Industrial Zone on total area of 657 square meters.

The Company is a member of Vestel Group of Companies which are under the control of Zorlu Family. The Company performs its export sales and domestic sales via Vestel Ticaret A.Ş. which is also a member of Vestel Group of Companies.

The Company is registered to Capital Market Board and its shares have been quoted to Borsa İstanbul ("BİST") since 21 April 2006.

As of 31 December 2023, the number of personnel employed was 9.171 (31 December 2022: 10.607).

As of balance sheet dates, the shareholders of the Company and their percentage shareholdings were as follows:

	Shareholding %
Vestel Elektronik Sanayi ve Ticaret A.Ş.	77,33
Other shareholders	22,67
	100,00

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Statement of compliance

The accompanying interim condensed financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, "Principals of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS" / "TFRS") and its addendum and interpretations ("IFRIC") issued by the Public Oversight Accounting and Auditing Standards Authority ("POAASA") Turkish Accounting Standards Board.

Financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on 4 October 2022 and in the Financial Statement Samples and User Guide published by the CMB.

The Company bases its accounting records and preparation of its legal financial statements on the Turkish Commercial Code ("TTK"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of the Republic of Turkey. The financial statements have been prepared in Turkish Lira on the basis of historical cost, except for land, buildings and land improvements from the tangible assets group shown at their fair value, and financial assets and liabilities shown at their fair value.

Financial statements have been prepared by reflecting the necessary corrections and classifications in order to ensure accurate presentation in accordance with TFRS, on the legal records prepared on the historical cost basis.

Financial reporting in high-inflation economies

The Company has prepared its financial statements for the year dated 31 December 2023 and ending on the same date, by applying TMS 29 "Financial Reporting in High Inflation Economies" Standard, based on the announcement made by the KGK on 23 November 2023 and the "Implementation Guide on Financial Reporting in High Inflation Economies" published. In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period. For this reason, the company has presented its financial statements as of December 31, 2022, on the basis of purchasing power as of December 31, 2023.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TMS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying.

Rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of December 31, 2023, the indices and correction coefficients used in the correction of financial statements are as follows:

Date	Index	Correction Coefficient	Three-Year Compound Inflation Rate
31 December 2023	1.859,38	1,00000	%268
31 December 2022	1.128,45	1,64773	%156
31 December 2021	686,95	2,70672	%74

The main elements of the Company's adjustment for financial reporting purposes in high-inflation economies are as follows:

- Current period financial statements prepared in TL are expressed in purchasing power at the balance sheet date, and amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TMS 36 and TMS 2 were applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

- All items included in the statement of comprehensive income, except for non-monetary items in the balance sheet that have an impact on the statement of comprehensive income, are indexed with coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period is recorded in the net monetary position gains/ (losses) account in the income statement.

The Company measures its lands, land improvements and buildings at fair value by way of revaluation policy. As part of transition provisions in IAS 29 associated revaluation funds recognised under equity was reclassified to the retained earnings as of 1 January 2022.

2.2 Comparative information and restatement of prior period financial statements

Financial statements of the Company have been prepared comparatively with the preceding financial period, in order to enable determination of trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the financial statements.

Comparative figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the currency in effect at the end of the reporting period. Information disclosed for previous periods is also expressed in the currency valid at the end of the reporting period.

2.3 Restatement and errors in the accounting estimates

Major changes in accounting policies are applied retrospectively and any major accounting errors that have been detected are corrected and the financial statements of the previous period are restated. Changes in accounting policies resulting from the initial implementation of a new standard, if any, are implemented retrospectively or prospectively in accordance with the transition provisions. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.4. Amendments in Turkey Financial Reporting Standards

The accounting policies used in the preparation of financial statements for the accounting period ending 31 December 2023 are consistent with those used in the previous year, except for the new and amended Turkish Accounting Standards ("TMS")/IFRS and TMS/IFRS interpretations valid as of 1 January 2023, summarized below. has been implemented. The effects of these standards and interpretations on the financial position and performance of the Company are explained in the relevant paragraphs.

a) Standards, amendments, and interpretations applicable as of 31 December 2023:

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co- operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

These standards, changes and improvements have no impact on the financial position and performance of the Company.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

- **Amendment to IFRS 16 - Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.4. Amendments in Turkey Financial Reporting Standards (Cont'd)

- **Amendment to IAS 1 - Non current liabilities with covenants;** It is valid for annual reporting periods beginning on or after 1 January 2024. These changes clarify how the requirements that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The changes also aim to improve the information the entity provides regarding obligations subject to these conditions.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

2.4. Amendments in Turkey Financial Reporting Standards (Cont'd)

- **Amendments to IAS 21 Lack of Interchangeability;** It is valid for annual reporting periods beginning on or after January 1, 2025. An entity is affected by these changes when it has a transaction or activity in a foreign currency that cannot be converted into another currency at a specific measurement date for a specific purpose. A currency may be exchanged when the opportunity to obtain another currency becomes available (with normal administrative delay) and the transaction; occurs through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision of the POA published in the Official Gazette dated December 29, 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of determining businesses that will be subject to sustainability reporting within the scope of the "Board Decision Regarding the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies

2.5.1 Revenue

The Company recognizes revenue in accordance with TFRS 15 "Revenue from contracts with customers" standard by applying the following five step model:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled.

Revenue from sale of goods is recognized when all of the following conditions are satisfied:

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- (b) Company can identify each party's rights regarding the goods or services to be transferred,
- (c) Company can identify the payment terms for the goods or services to be transferred,
- (d) The contract has commercial substance,
- (e) It is probable that Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Revenue is generated when control of the products is handed over to the customer and the customers have full authority over the product. Delivery takes place when the products are shipped to the customer's location, the risk of obsolescence and damage is transferred to the customers and the customers accept the products in accordance with the sales contract, the acceptance conditions have expired or the Company has objective evidence that all acceptance criteria have been met. If the Company is entitled to collect a fee from its customers that directly corresponds to the value of the completed performance for the customer (on delivery of the products), it recognizes the revenue in the financial statements as much as the amount it has the right to invoice.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.1 Revenue (Cont'd)

The company has switched to the "intermediary export" model for its international sales through with its related party namely Vestel Ticaret A.Ş., which carries out marketing and sales activities, effective from 1 January 2022. In the intermediary export model, the Company is the main exporter and Vestel Ticaret is the agent. Trade receivables from Vestel Ticaret, which acts as an agent, arise from sales made through Vestel Ticaret, including to Vestel Group companies abroad.

If the company expects to refund some or all of the price collected from a customer to that customer, it reflects a refund liability in the financial statements. The refund liability is calculated based on the portion of the consideration that the business has collected (or will collect) for which it does not expect to be entitled. Previous experience is used to predict such returns at the portfolio level at the time of sale, and it is possible that a significant amount of revenue cancellation will not occur. The return obligation is updated at the end of each reporting period, taking into account changes in circumstances.

Previous experience is used to estimate sales discounts using the expected value method, with revenue recognized only to the extent that it is probable that a significant return will not occur. Sales discounts are recognized in sales discounts expected to be paid to customers in respect of sales made until the end of the period specified under other short-term provisions. There is no significant financing element as sales are made within an acceptable period of time consistent with market practice.

2.5.2 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory. Company uses moving weighted average method for costing.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income in the period the write- down or loss occurred.

When the net realizable value of inventories falls below their cost, the inventories are reduced to their net realizable value and reflected as an expense in the income statement in the year in which the impairment occurs.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.2 Inventories (Cont'd)

When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

2.5.3 Property, plant and equipment

Land, land improvements and buildings are stated at fair value, based on valuations performed as at 31 December 2023.

Tangible assets other than land, land improvements and buildings are shown at cost on a TL purchasing power basis as of December 31, 2023, after deducting accumulated depreciation and impairment losses, if any.

Any revaluation increase arising on the revaluation of such land, land improvements and buildings is credited in equity to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of such land, land improvements and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued land improvements and buildings is charged to profit or loss.

Each period, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive income) and the depreciation based on the asset's original cost is transferred from revaluation reserves to the retained earnings.

Land is not depreciated. Machinery and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.3 Property, plant and equipment (Cont'd)

Useful lives of property, plant and equipment is as follows:

	Useful life
Land improvements	5 - 35 years
Buildings	20 - 50 years
Leasehold improvements	5 years
Plant and machinery	3 - 15 years
Motor vehicles	5 years
Furniture and fixtures	5 - 10 years
Leasehold improvements	1-5 years

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2.5.4 Leases

Profits and losses arising from the disposal of tangible fixed assets are included in other operating income and expenses accounts. When a revalued tangible asset is disposed of, the revaluation fund related to the disposed tangible asset is transferred to retained earnings.

Expenses arising from replacing any part of tangible fixed assets, together with maintenance and repair costs, can be capitalized if they increase the future economic benefit of the asset. All other expenses are recognized as expense items in the income statement as they occur.

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. The Company assess whether:

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.4 Leases (Cont'd)

The Company - as a lessee

- a) The contract involved the use of an identified asset - this may be specified explicitly or implicitly.
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset, if the supplier has a substantive substitution right, the asset is not identified.
- c) The Company has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) The Company has the right to direct use of the asset, The Company concludes to have the right of use, when it is predetermined how and for what purpose the Company will use the asset. The Company has the right to direct use of asset if either:
 - i. The Company has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. The Company designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At the actual commencement date of the contract, the Company reflects a right-of-use asset and a lease liability in its financial statements.

The Company rents various buildings, warehouses, forklifts and machinery. The duration of the leasing contracts for machine and equipment is usually 4 years; for building and warehouses is usually fixed from 1 to 20 years.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.4 Leases (Cont'd) Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Vestel Group Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a) Fixed payments, including in-substance fixed payments;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.
- c) The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewable period if the Company is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Company is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

- a) Increasing the carrying amount to reflect interest on lease liability,
- b) Reducing the carrying amount to reflect the lease payments made and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The duration of the contracts, which constitute the lease obligation of the company, varies between 1 - 20 years.

The Company - as a lessor

The Company's activities as a lessor are not material.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.4 Leases (Cont'd) Right of use assets:

Right of use is recognized with cost method at first and includes items below:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the Company

To apply the cost model, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The Company applies the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

2.5.5 Intangible assets

a) Research and development costs

Research costs are recognized as expense in the period in which they are incurred. An intangible asset arising from development (or from the development phase of an internal project) if and only if an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.5 Intangible assets (Cont'd)

Other development costs are recognized as expense as incurred. If it is not possible to distinguish the research phase from the development phase of an internal project, the entity treats the expenditure on that project as if it were incurred in the research phase only.

b) Rights and other intangible fixed assets

Rights and other intangible assets consist acquired computer software, computer software development costs and other identifiable rights. Rights and other intangible assets are recognized at their acquisition costs and are amortized on a straight line basis over their expected useful lives which are less than fifteen years.

Useful lives of intangible assets are as follows:

	Useful life
Rights	3 - 15 years
Development cost	2 - 10 years
Other	2 - 15 years

2.5.6 Financial instruments

a) Financial assets

The Company classifies its financial assets into three categories: financial assets measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income. The classification depends on the basis of the business model determined according to utilization purposes and expected cash outflows. The Company classifies its financial assets at the time of initial recognition.

Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost.

The Company's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.6 Financial instruments (Cont'd)

a) Financial assets (Cont'd)

Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value.

Derivative financial instruments are first recorded at their fair value as of the date of entry into force of the relevant derivative contract, and are valued at their fair value in the following periods.

Impairment of financial assets

Impairment of the financial and contractual assets measured by using "Expected credit loss model". The impairment model applies for amortized financial and contractual assets.

The Company has preferred to apply "simplified approach" for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 1 year). In accordance with the simplified approach, Company measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

b) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

c) Derivative financial instruments and hedge accounting

The derivative instruments of the Company mainly consist of foreign exchange forward contracts. These derivative transactions, even though providing effective economic hedges under risk accounting, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the financial statements. The fair value changes for these derivatives are recognised in the profit or loss statement.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.6 Financial instruments (Cont'd)

c) Derivative financial instruments and hedge accounting (Cont'd)

The hedging transactions of the Company that qualify for hedge accounting are accounted in accordance with TFRS 9. TFRS 9 does not create any changes in hedge accounting principles. It is considered TFRS 9 has significant effect on financial statements.

Cash flow hedges:

As long as a cash flow hedge meets the qualifying criteria, the hedging relationship shall be accounted for as follows:

- (a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):
 - (i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and
 - (ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.
- (b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income.
- (c) any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognised in profit or loss.

2.5.7 Foreign currency transactions

Transactions in foreign currencies during the period are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary items denominated in foreign currencies are translated to TL at the rates prevailing on the balance sheet date. Exchange differences on foreign currency denominated monetary assets and liabilities are recognized in profit or loss in the period in which they arise except for the effective portion of the foreign currency hedge of net investments in foreign operations. On-monetary items which are denominated in foreign currency and measured with historical costs are translated using the exchange rates at the dates of initial transactions.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.8 Provisions, contingent assets and liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company are not included in the financial statements and treated as contingent assets or liabilities.

2.5.9 Related parties

Subsidiaries, key management personnel and board members, close family members and companies controlled by or affiliated with them, affiliates and subsidiaries, and companies within the Zorlu Holding Group and their affiliates, subsidiaries and partnerships are considered as related parties.

2.5.10 Taxation on income

Tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items directly recognized in equity. In that case, tax is recognized in shareholders' equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.10 Taxation on income (Cont'd)

Investment incentives that are conducive to payment of corporate taxes at reduced rates are subject to deferred tax calculation when there is reasonable assurance that the Company will benefit from the related incentive.

Deferred tax liabilities are recognized for taxable temporary differences except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.5.11 Employee benefits

Employment termination benefits, as required by the Turkish Labor Law, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees.

According to Turkish Labor Law and other laws applicable in Turkey, the Company is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision for employment termination benefits as of 31 December 2022 is calculated in accordance with the assumptions used by the independent actuarial firm and is recorded in the financial statements at its net present value. Employment termination benefits are considered as being part of defined retirement benefit plan as per TAS 19. All actuarial gains and losses are recognized in statements of income.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.12 Government grants

Government grants, including non-monetary grants at fair value, are recognized in financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to them, and the grants will be received.

Incentives for research and development activities are recognized in financial statements when they are authorized by the related institutions.

2.5.13 Earnings per share

Earnings per share disclosed in the statement of income is determined by dividing net income attributable to equity holder of the parent by the weighted average number of such shares outstanding during the year concerned.

2.5.14 Statement of cash flows

In the statement of cash flows, cash flows are classified into three categories as operating, investment and financing activities. Cash flows from operating activities are those resulting from the Company's production and sales activities. Cash flows from investment activities indicate cash inflows and outflows resulting from property, plant and equipments and financial investments.

Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. Cash and cash equivalents comprise of cash in hand accounts, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

2.5.15 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function.

When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net if the nature of the transaction or the event qualify for offsetting.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of significant accounting policies (Cont'd)

2.5.16 Events after the balance sheet date

Events after the balance sheet date, announcements related to net profit or even declared after other selective financial information has been publicly announced; include all events that take place between the balance sheet date and the date when balance sheet was authorized for issue.

In the case that events require a correction to be made on the balance sheet date, the Company makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

2.5.17 Borrowing costs and loans taken

Loans received are recorded at their net value after deducting transaction costs from their fair value at the date of receipt. Loans received are subsequently shown at discounted cost using the effective interest method. The difference between the remaining amount after deducting transaction costs and the discounted cost value is reflected in the consolidated statement of profit or loss and other comprehensive income as financing cost during the loan period, using the effective interest method. When financing costs arise from loans received, they are reflected in the consolidated statement of profit or loss and other comprehensive income. If the maturities of the loans received are less than 12 months from the date of the statement of financial position (balance sheet), they are shown in short-term liabilities, and if they are more than 12 months, they are shown in long-term liabilities.

Assets that necessarily require a long period of time (one year or more) to be ready for intended use or sale are defined as special assets. General or specific borrowing costs related to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset until the asset is brought to the necessary formation and location to operate in line with management's objectives.

Monetary financial system in which borrowing costs are adjusted for the effect of inflation and capitalized

2.5.18 Going concern

The Company prepared financial statements in accordance with the going concern assumption.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.6. Critical accounting estimates and judgments

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the

Company management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Company management are as follows:

i. Revaluation of lands, buildings and land improvements

Land, land improvements and buildings are stated at fair value, based on valuations performed at 31 December 2022 by professional independent valuer firm. (Note 11).

As there were no recent similar buying/selling transactions nearby, revaluations of land were based on the method of market approach whereas revaluations of buildings and land improvements and machinery and equipment were based on the method of cost approach and based on the following valuation techniques and assumptions:

- Revaluations of land were based on the method of reference comparison whereas revaluations of buildings and land improvements were based on the method of cost approach, considering existing utilization of the aforementioned property, plant and equipments are consistent to the highest and best use approach.

In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m2 sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional valuation company was utilized.

- In the cost approach method, fair value of the buildings and land improvements was calculated by considering depreciation on the re-construction costs. In the cost approach method, above explained market reference comparison method was used in calculation of the land value, one of the components.
- The values that may occur during the purchase/sale transactions may differ from these values.
- The values determined by the cost approach method were evaluated as of the date they were first reflected in the financial statements and the relevant period ends, in accordance with the provisions of the TMS 36 "Impairment of Assets" standard, whether there were impairment indicators and it was concluded that there was no impairment.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 3 - SEGMENT REPORTING

Operating segments are identified on the same basis as financial information is reported internally to the Company's chief operating decision maker. The Company's Board of Directors has been identified as the Company's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Company management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategic decisions.

The Management believes that the Company operates in a single industry sector as the risks and returns for the activities do not show any material difference because the scope of activity covers only the production of white goods and the production processes and classes of customers are similar. As a result all information related to the industrial segment has been fully presented in the attached financial statements.

The Management has decided to use geographical segments for segment reporting considering the fact that risks and returns are affected by the differences in geographical regions.

Geographical segments

	1 January - 31 December 2023	1 January - 31 December 2022
Segment revenue		
Turkey	18.242.987	15.973.645
Europe	29.993.580	30.358.878
Other	13.114.215	13.408.886
Gross segment sales	61.350.782	59.741.409
Discounts (-)	(280.877)	(158.296)
Net sales	61.069.905	59.583.113

Other segment sales mainly comprise of sales to Asian and African countries.

The amount of export is TL 43.107.795 thousand for the period ended 31 December 2023. (1 January-31 December 2022: TL 43.767.764 thousand).

88.3% of the export amount was realized in EUR, 9% in USD and 2.7% in other foreign currencies. Segment assets are not shown separately because a significant portion of the segment assets and the significant portion of the costs incurred to acquire the segment assets are incurred in Turkey.

The carrying value of segment assets and costs incurred in order to obtain these assets are not separately disclosed since all assets of the Company are located in Turkey.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash	1.237	1.056
Bank deposits		
-Demanddeposits	671.352	702.966
-Timedeposits	56.929	249.606
	729.518	953.628
Blocked deposits	22	36
Cash and cash equivalents	729.540	953.664

The effective interest rates for time deposits are as below:

The effective interest rates for time deposits are as below:	31 December 2023	31 December 2022
TL	34,74%	18,00%
EUR	-	0,01%
USD	-	0,01%

As of 31 December 2023 and 31 December 2022, the average maturity of the Group's time deposits is less than 3 months.

Based on the independent data with respect to the credit risk assessment of the banks, at which the Company has deposits, the credit quality of the banks is sufficient. The market values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet date.

NOTE 5 - FINANCIAL LIABILITIES

	31 December 2023	31 December 2022
Short term financial liabilities		
Short term bank loans	2.152.356	8.975.606
Short term portion of long term bank loans	312.971	16.596
Short term portion of long term lease liabilities	10.104	20.226
Short term issued bonds (*)	768.908	1.105.462
	3.244.339	10.117.890
Long term financial liabilities		
Long term bank loans	1.205.031	3.158
Long term lease liabilities	139.771	123.731
	1.344.802	126.889

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

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NOTE 5 - FINANCIAL LIABILITIES (Cont'd)

Details of the Company's short term bank loans are given below:

Currency	31 December 2023			31 December 2022		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
- USD	10,65%	31.573	931.137	7,76%	72.515	2.238.195
- EUR	11,09%	10.683	348.628	-	-	-
- TL	38,97%	872.592	872.591	15,19%	6.737.411	6.737.411
			2.152.356			8.975.606

Details of the Company's long term bank loans are given below:

Currency	31 December 2023			31 December 2022		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
- TL	23,14%	312.971	312.971	20,33%	16.596	16.596
Short term portion			312.971			16.596
- TL	20,65%	1.205.031	1.205.031	18,17%	3.158	3.158
Long term portion			1.205.031			3.158
			1.518.002			19.754

(*) A significant portion of long-term loans consists of loans used within the approval of the Investment Committed Advance Loan (YTAK) with a fixed interest rate of 1.5 billion TL, originating from the Central Bank, with a total maturity of 10 years, including a grace period of 2 years for principal repayment.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

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NOTE 5 - FINANCIAL LIABILITIES (Cont'd)

The redemption schedule of the Company's long term bank loans are given below:

	31 December 2023	31 December 2022
One to two years	322.675	3.158
Two to three years	254.124	-
Three to four years	187.456	-
Over five years	440.776	-
	1.205.031	3.158

Guarantees given for the bank loans obtained are disclosed in note 15.

Fair value of short term bank borrowings are considered to approximate their carrying values due to immateriality of discounting. Fair values are determined using average effective annual interest rates.

It has fulfilled its financial commitments arising from its borrowings as of December 31, 2023 and 2022. As of 31 December 2023 and 31 December 2022, reconciliation of net financial debt is as below:

	31 December 2023	31 December 2022
Net financial debt as of 1 January	9.070.462	3.307.677
Cash inflows from loans	7.025.475	12.050.499
Cash outflows from loan payments	(9.392.432)	(3.190.269)
Payments of lease liabilities	5.918	(435.291)
Unrealized Fx gain/loss	369.619	558.468
Accrued interest	74.204	48.435
Change in cash and cash equivalents	(224.110)	648.270
Monetary gain / (loss)	(3.322.890)	(3.917.327)
Net financial debt at the end of the period	3.606.246	9.070.462

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

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NOTE 6 - RELATED PARTY DISCLOSURES

a) Short term trade receivables from related parties

	31 December 2023	31 December 2022
Vestel Ticaret A.Ş. ⁽¹⁾	13.379.155	13.875.893
Other related parties	167	1.704
	13.379.322	13.877.597

The receivables result from the Company's foreign and domestic sales performed via Vestel Ticaret A.Ş. which is also a member of Vestel Group Companies.

The company has switched to the "intermediary export" model for its international sales through with its related party namely Vestel Ticaret A.Ş., which carries out marketing and sales activities, effective from 1 January 2022. In the intermediary export model, the Company is the main exporter and Vestel Ticaret is the agent. Trade receivables from Vestel Ticaret, which acts as an agent, arise from sales made through Vestel Ticaret, including to Vestel Group companies abroad. There are insurance and guarantees regarding the receivables in question.

b) Short term trade payables to related parties

	31 December 2023	31 December 2022
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	465.101	174.940
Vestel Ticaret A.Ş. ⁽¹⁾	435.278	756.968
Vestel Holland B.V. ⁽¹⁾	412.358	81.314
Other related parties	42.445	25.800
	1.355.182	1.039.022
Deferred finance income (-)	(2.569)	(2.632)
	1.352.613	1.036.390

The short term payables to related parties consist of goods and service purchases.

c) Other short term receivables from related parties

	31 December 2023	31 December 2022
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	2.624.267	3.959.759
	2.624.267	3.959.759

The Company's interest rate of short term other receivables in USD is 8% and EUR is 7% (31 December 2022: in USD 7% and EUR 5%).

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

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NOTE 6 - RELATED PARTY DISCLOSURES (Cont'd)

d) Other short term liabilities to related parties

	31 December 2023	31 December 2022
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	3.414.930	1.227.920
	3.414.930	1.227.920

The Company's interest rate of other payables in TL is 50% (As of 31 December 2021 the Company's interest rate of other payables in TL is 25%).

⁽¹⁾ Vestel Elektronik Sanayi ve Ticaret A.Ş. Group Company, ⁽²⁾ Parent, ⁽³⁾ Zorlu Holding Group Company

e) Lease liabilities to related parties

	31 December 2023	31 December 2022
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	136.868	115.926
	136.868	115.926

The Company's short term lease liabilities to Vestel Elektronik Sanayi ve Ticaret A.Ş. are amounted to TL 3.555 thousand and long term lease liabilities are amounted to TL 133.313 thousand (31 December 2022: short term TL 2.607 thousand and long term TL 113.319 thousand)

f) Deferred income from related parties

	31 December 2023	31 December 2022
Vestel Ticaret A.Ş. ⁽¹⁾	473.397	12.748
Diğer ilişkili kuruluşlar	4.021	-
	477.418	12.748

g) Long-term prepaid expenses to related parties

Zorlu Enerji Elektrik Üretim A.Ş. ⁽³⁾	563.826	-
	563.826	-

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 6 - RELATED PARTY DISCLOSURES (Cont'd)

h) Short-term prepaid expenses to related parties

	31 December 2023	31 December 2022
Vestel Holland B.V. ⁽¹⁾	335.565	-
Diğer ilişkili kuruluşlar	4.063	-
	339.628	-

i) Transactions with related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Sales		
Vestel Ticaret A.Ş. ⁽¹⁾	59.765.704	56.707.122
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	464.321	572.240
Other related parties	46.251	46.487
	60.276.276	57.325.849
Operating expenses		
Vestel Holland B.V. ⁽¹⁾	2.987.983	497.888
Vestel Ticaret A.Ş. ⁽¹⁾	1.427.851	999.036
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	3.005.788	768.453
Other related parties	231.369	154.508
	7.652.991	2.419.885

The sales and purchases and operating transactions to related parties consist of goods and service purchases.

⁽¹⁾ Vestel Elektronik Sanayi ve Ticaret A.Ş. Group Company, ⁽²⁾ Parent, ⁽³⁾ Zorlu Holding Group Company

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NOTE 6 - RELATED PARTY DISCLOSURES (Cont'd)

i) Transactions with related parties (Cont'd)

	1 January - 31 December 2023	1 January - 31 December 2022
Other income from operating activities		
Vestel Ticaret A.Ş. ⁽¹⁾	4.358.258	2.557.513
Other related parties	483.606	77.855
	4.841.864	2.635.368
Other expense from operating activities		
Vestel Ticaret A.Ş. ⁽¹⁾	441.009	462.832
Vestel Holland B.V. ⁽¹⁾	119.739	-
Other related parties	178.336	68.475
	739.084	531.307
Dividend payment to non-controlling interests		
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	420.226	1.134.283
Publicly available part	123.193	271.969
	543.419	1.406.252
Financial income		
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	2.173.062	2.295.251
	2.173.062	2.295.251
Financial expense		
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	577.227	614.379
Vestel Ticaret A.Ş. ⁽¹⁾	355.839	-
	933.066	614.379

⁽¹⁾ Vestel Elektronik Sanayi ve Ticaret A.Ş. Group Company, ⁽²⁾ Parent

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 6 - RELATED PARTY DISCLOSURES (Cont'd)

i) Transactions with related parties (Cont'd)

Fixed asset purchases from related parties

	31 December 2023	31 December 2022
Vestel Elektronik Sanayi ve Ticaret A.Ş. ⁽²⁾	-	1.110.569
	-	1.110.569

Guarantees received from and given to related parties are disclosed in note 15.

j) Compensation paid to key management including directors, the Chairman of Board of Directors, general managers and assistant general managers.

Compensation paid to key management for the twelvemonths period ended 31 December 2023 is TL 45.313 thousand (1 January -31 December 2022: TL 37.545).

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31 December 2023	31 December 2022
Short term trade receivables		
Trade receivables		
-Related parties(note6)	13.379.322	13.877.597
-Other parties	515.073	347.024
	13.894.395	14.224.621
Allowance for doubtful receivables (-)	(2.505)	(1.848)
Total short term trade receivables	13.891.890	14.222.773

The Company provides allowance for doubtful receivables based on historical experience.

The Company has made a provision considering its past experience in collecting its trade receivables. Hence, the Company management made a provision assessment according to the expected credit losses model within the scope of TFRS 9 and as of 31 December 2023, no additional doubtful trade receivables risk was detected.

⁽¹⁾ Vestel Elektronik Sanayi ve Ticaret A.Ş. Group Company, ⁽²⁾ Parent

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Cont'd)

	31 December 2023	31 December 2022
Short term trade payables		
Trade payables		
-Related parties (note6)	1.355.182	1.039.022
-Other parties	15.815.311	16.537.839
	17.170.493	17.576.861
Unearned interest income (-)		
-Related parties (note6)	(2.569)	(2.632)
-Other parties	(44.433)	(62.505)
Total short term trade payables	17.123.491	17.511.724
Long term trade payables		
Trade payables		
-Other parties	178.174	301.331
Total long term trade payables	178.174	301.331

NOTE 8 - OTHER RECEIVABLES

	31 December 2023	31 December 2022
Short term other receivables		
Receivables from public institutions	953.832	1.213.965
Receivables from related parties (note 6)	2.624.267	3.959.759
Deposits and guarantees given	27.287	23.018
Other	9.285	6.230
Total short term other receivables	3.614.671	5.202.972

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NOTE 8 - OTHER RECEIVABLES (Cont'd)

	31 December 2023	31 December 2022
Long term other receivables		
Deposits and guarantees given	6.007	41.305
	6.007	41.305
Short term other payables		
Other payables		
- Related parties (Note 6)	3.414.930	1.227.920
	3.414.930	1.227.920
Deferred revenue		
- Related parties (Note 6)	477.418	12.748
- Other parties	352	384.076
	477.770	396.824

NOTE 9 - INVENTORIES

	31 December 2023	31 December 2022
Raw materials	4.539.399	4.153.181
Work in process	182.786	170.750
Finished goods	2.515.024	3.331.376
Merchandise	13.388	-
	7.250.597	7.655.307
Provision for impairment on inventories (-)	(15.226)	(51.472)
	7.235.371	7.603.835

As of 31 December 2023 the Company does not have inventories pledged as security for liabilities (31 December 2022: None).

Cost of the inventory included in the cost of sales for the current period amounts to TL 44.095.323 thousand (1 January - 31 December 2022: TL 47.493.262).

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 10 - PREPAID EXPENSES

	31 December 2023	31 December 2022
Short-term prepaid expenses		
- Related parties (Note 8)	339.628	-
Order advances given	471.668	170.858
Prepaid expenses	67.167	52.905
	878.463	223.763
Long-term prepaid expenses		
- Related parties (Note 8)	563.826	-
Advances given for purchase of fixed assets	216.229	770.102
Prepaid expenses	866	632
	780.921	770.734

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Disposals	Transfers	Fair value increase	31 December 2023
Cost or revaluation						
Land	2.966.489	-	-	-	4.120.766	7.087.255
Land improvements	157.301	984	-	251	433	158.969
Buildings	3.672.606	148.182	(39)	1.524.575	216.915	5.562.239
Leasehold improvements	2.329	228	-	-	-	2.557
Plant and machinery	18.654.272	1.048.853	(234.338)	1.686.071	-	21.154.858
Motor vehicles	5.719	1.919	(352)	-	-	7.286
Furniture and fixtures	878.049	42.677	(7.296)	52.071	-	965.501
Construction in progress	2.661.346	2.349.824	-	(3.263.784)	-	1.747.386
	28.998.111	3.592.667	(242.025)	(816)	4.338.114	36.686.051
Accumulated depreciation						
Land improvements	-	9.309	-	-	(9.309)	-
Buildings	-	171.270	-	-	(171.270)	-
Leasehold improvements	2.188	127	-	-	-	2.315
Plant and machinery	13.132.782	1.463.129	(227.392)	-	-	14.368.519
Motor vehicles	4.303	641	(352)	-	-	4.592
Furniture and fixtures	667.910	68.968	(7.102)	-	-	729.776
	13.807.183	1.713.444	(234.846)	-	(180.579)	15.105.202
Net book value	15.190.928					21.580.849

(*) A significant part of the investments being made are related to ongoing building investments. Mortgages on property, plant and equipment are disclosed in Note 14.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	1 January 2022	Additions	Disposals	Transfers	Fair value increase	31 December 2022
Cost or revaluation						
Land	2.046.025	915.684	-	-	4.780	2.966.489
Land improvements	173.384	157	-	-	(16.240)	157.301
Buildings	3.041.507	800.056	-	4.915	(173.872)	3.672.606
Leasehold improvements	92.050	4.788	(94.509)	-	-	2.329
Plant and machinery	17.065.388	1.298.373	(171.484)	461.995	-	18.654.272
Motor vehicles	4.986	1.007	(274)	-	-	5.719
Furniture and fixtures	804.486	48.081	(4.312)	29.794	-	878.049
Construction in progress	220.890	2.937.160	-	(496.704)	-	2.661.346
	23.448.716	6.005.306	(270.579)	-	(185.332)	28.998.111
Accumulated depreciation						
Land improvements	-	18.198	-	-	(18.198)	-
Buildings	-	218.149	-	-	(218.149)	-
Leasehold improvements	70.129	8.555	(76.496)	-	-	2.188
Plant and machinery	12.009.001	1.291.016	(167.235)	-	-	13.132.782
Motor vehicles	4.009	568	(274)	-	-	4.303
Furniture and fixtures	601.098	71.091	(4.279)	-	-	667.910
	12.684.237	1.607.577	(248.284)	-	(236.347)	13.807.183
Net book value	10.764.479					15.190.928

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	1 January - 31 December 2023	1 January - 31 December 2022
Cost of sales	1.646.019	1.656.925
Research and development expenses	286.510	304.941
Marketing, selling and distribution expenses	7.883	7.966
General administrative expenses	15.123	15.060
	1.955.535	1.984.892

Allocation of period depreciation and amortization expenses is as follows:

31 December 2023	Level 1	Level 2	Level 3	Total
Tangible Assets				
Lands	-	7.087.255	-	7.087.255
Buildings and land improvements	-	5.721.208	-	5.721.208
31 December 2022	Level 1	Level 2	Level 3	Total
Tangible Assets				
Lands	-	2.966.489	-	2.966.489
Buildings and land improvements	-	3.829.907	-	3.829.907

Cost and accumulated depreciation of land, land improvements and buildings before revaluation are as follows:

31 December 2022	Land	Land improvements and buildings
Cost	1.268.752	3.657.108
Accumulated depreciation (-)	-	(775.716)
Net book value	1.268.752	2.881.392
31 December 2021	Land	Land improvements and buildings
Cost	1.268.752	2.417.637
Accumulated depreciation (-)	-	(686.999)
Net book value	1.268.752	1.730.638

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NOTE 12 - RIGHT OF USE ASSETS

	1 January 2023	Additions	Disposals	31 December 2023
Cost				
Land and buildings	589.786	389.674	(11.197)	968.263
Motor vehicles	210.939	2.479	-	213.418
	800.725	392.153	(11.197)	1.181.681
Accumulated amortization				
Land and buildings	261.718	100.975	(7.465)	355.228
Motor vehicles	143.770	11.518	-	155.288
	405.488	112.493	(7.465)	510.516
Net book value	395.237			671.165

	1 January 2022	Additions	Disposals	31 December 2022
Cost				
Land and buildings	723.576	194.897	(328.687)	589.786
Motor vehicles	196.943	16.820	(2.824)	210.939
	920.519	211.717	(331.511)	800.725
Accumulated amortization				
Land and buildings	148.444	148.493	(35.219)	261.718
Motor vehicles	129.975	17.023	(3.228)	143.770
	278.419	165.516	(38.447)	405.488
	642.100			395.237

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NOTE 13 - INTANGIBLE ASSETS

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	31 December 2023
Cost						
Rights	104.677	-	-	-	-	104.677
Development cost	2.613.069	452.891	-	-	-	3.065.960
Other intangible assets	232.532	10.168	-	-	816	243.516
Accumulated amortization	2.950.278	463.059	-	-	816	3.414.153
Rights	104.049	107	-	-	-	104.156
Development cost	1.690.290	109.007	-	-	-	1.799.297
Other intangible assets	110.482	20.484	-	-	-	130.966
	1.904.821	129.598	-	-	-	2.034.419
Net book value	1.045.457					1.379.734

	1 January 2022	Additions	Disposals	Currency translation differences	Transfers	31 December 2022
Cost						
Rights	104.677	-	-	-	-	104.677
Development cost	2.400.116	212.953	-	-	-	2.613.069
Other intangible assets	192.017	40.515	-	-	-	232.532
Accumulated amortization	2.696.810	253.468	-	-	-	2.950.278
Rights	103.942	107	-	-	-	104.049
Development cost	1.494.613	195.677	-	-	-	1.690.290
Other intangible assets	94.467	16.015	-	-	-	110.482
	1.693.022	211.799	-	-	-	1.904.821
Net book value	1.003.788					1.045.457

Development costs, incurred by the Company on development projects relating to refrigerators, split air conditioners, washing machines, cookers and dish washers are capitalized as intangible assets since it is highly probable that it will derive economic benefit from these projects and the economic benefits and expenditures made during the development process can be reliably measured.

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NOTE 14 - GOVERNMENT GRANTS

There are investment incentive certificates to which the Company has been entitled by the official authorities in connection with certain capital expenditures. The grants obtained by the Company in nature are as follows:

- i) Exemption from customs duty on machinery and equipment to be imported,
- ii) Value-added tax exemption with respect to purchases of investment goods both from domestic and export markets,
- iii) Incentives under jurisdiction of the research and development law
- iv) Inward processing permission certificates,
- v) Cash refund from Tübitak-Teydeb for research and development expenses,
- vi) Discounted corporate tax incentive,
- vii) Insurance premium employer share incentive,

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	31 December 2023	31 December 2022
Short term provisions		
Provision for lawsuit risks	14.443	18.748
	14.443	18.748

b) Guarantees received by the Company

	31 December 2023	31 December 2022
Guarantee letters	208.274	578.984
Cheques and notes	16.252	1.219
Collaterals and pledges	40.515.035	42.858.039
	40.739.561	43.438.242

The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees received by the Company. The amount of guarantees received by the Company, including the total collaterals amount, is 61,523,271 TL.

Vestel Elektronik Sanayi ve Ticaret A.Ş., Vestel Komünikasyon Sanayi ve Ticaret A.Ş. and Vestel Ticaret A.Ş. has given guarantees to various banks on behalf of the Company for its forward contracts and bank borrowings.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

c) Collaterals, pledges and mortgages ("CPM's") given by the Company are as follows:

CPM's given by the Group	USD (‘000)	EUR (‘000)	TL	TL Equivalent
31 December 2023				
A. CPM's given on behalf of its own legal entity	15.800	13.895	625.204	1.544.597
B. CPM's given on behalf of fully consolidated subsidiaries (*)	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	501.042	-	501.727	15.278.107
i. Total amount of CPM's given on behalf of the parent company	380.820	-	376.364	11.607.241
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C.	120.222	-	125.363	3.670.866
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C.	-	-	-	-
Total	516.842	13.895	1.126.931	16.822.704

The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees given by the Company. The total guarantee amount, as well as the guarantees, pledges, mortgages and guarantees given by the Company, are 946.100 thousand US Dollars, 13.895 thousand Euro, 1.456.604 TL, equivalent to a total of 29.811.753 TL.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

CPM's given by the Group	USD ('000)	EUR ('000)	TL	TL Equivalent
31 December 2022				
A. CPM's given on behalf of its own legal entity	21.500	2.000	84.716	814.133
B. CPM's given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	501.042	-	1.177.157	16.641.951
i. Total amount of CPM's given on behalf of the parent company				
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C.	380.820	-	970.593	12.724.702
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C.	120.222	-	206.564	3.917.249
	-	-	-	-
Total	522.542	2.000	1.261.873	17.456.084

The Company has given collaterals to various banks on behalf of Vestel Elektronik Sanayi and Ticaret A.Ş., Vestel Ticaret A.Ş. and Vestel Holland BV for their forward contracts and bank loans obtained.

Proportion of other CPMB's given by the Company to its equity 71% as of 31 December 2023. (31 December 2022: 123%).

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

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NOTE 16 - COMMITMENTS

As of the balance sheet date the Company has committed to realize exports amounting to USD 1.093.911 (31 December 2022: USD 1.164.855 thousand) due to the export and investment incentive certificates obtained.

As of 31 December 2023 the Company has forward foreign currency purchase contract that amounts to EUR 23.517, PLN 6.895 GBP 10.794 and USD 675.619 against forward foreign currency sales contract that amounts to EUR 548.376, GBP 18.642 ,PLN 20.350, USD 12.352 and TL 2.542.725 (31 December 2022 : The Company has forward foreign currency sales contract of EUR 383.372 thousand, GBP 4.500 thousand, PLN 49.806 thousand, USD 70.145 thousand and TL 3.498.579 against purchase contract of TL 1.926.378, EUR 14.668 thousand, PLN 14.097 thousand, GBP 13.139 thousand and USD 495.366 thousand).

NOTE 17 - EMPLOYEE BENEFITS

Liabilities for employee benefits:

	31 December 2023	31 December 2022
Due to personnel	193.400	191.800
Social security payables	96.596	88.336
	289.996	280.136

Long term provisions for employee benefits:

	31 December 2023	31 December 2022
Provision for employment termination benefits	676.641	854.775
	676.641	854.775

Under Turkish law, the Company is required to pay employment termination benefits to each employee whose employment is terminated without due cause. In addition, under the existing Social Security Law No. 506, clause No. 60, amended by the Labor Laws dated 6 March 1981, No. 2422 and 25 August 1999, No. 4447, the Company is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

The amount payable is the equivalent of one month's gross salary for each year of service and is limited to a maximum of TL 23.489,83 TL/year as of 31 December 2023 (31 December 2022: TL 15.371,40 /year). The provision for employee termination benefits is not funded.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 17-EMPLOYEE BENEFITS (Cont'd)

The provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. Turkish Accounting Standards No: 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined employee plans. Accordingly actuarial assumptions were used in the calculation of the total liability which is described below:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. Consequently in the accompanying financial statements as at 31 December 2023 the provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. As of 31 December 2023 provision is calculated based on real discount rate of 3,72% (31 December 2022: 2%) assuming 23,60% annual inflation rate and 49,25% discount rate.

The main assumption is that the seniority ceiling for each year of service increases in line with inflation. Thus, the discount rate applied represents the actual rate adjusted for the expected effects of inflation. As the maximum liability is revised every six months, the maximum amount of TL 23.489,83 (1 January 2023: TL 19.982,83) effective from 1 July 2023 has been taken into consideration in calculating the reserve for employment termination benefits of the Company.

The movements in the provision for employment termination benefit are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Balance at 1 January	854.775	411.083
Increase during the year	147.713	53.014
Payments during the year	(233.867)	(49.777)
Actuarial (gain) /loss	188.502	547.716
Interest expense	79.547	59.861
Monetary gain/ (loss)	(360.029)	(167.122)
Balance at 31 December	676.641	854.775

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

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NOTE 18 - OTHER ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
Other current assets		
VAT carried forward	1.328	1.534
Rebates from suppliers and incentives income accruals	83.548	62.645
	84.876	64.179
Other current liabilities		
Tax payables	184.092	222.058
Other	8.284	3.282
	192.376	225.340

NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid in capital

	31 December 2023	31 December 2022
Shares of par value Kr 1 each		
Issued share capital	1.600.000	1.600.000

As of 31 December 2023 and 31 December 2022 the shareholding structure is as follows:

	Shareholding		Amount	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Vestel Elektronik Sanayi ve Ticaret A.Ş. (*)	%77,33	%80,66	1.237.302	1.290.560
Stocks traded on BIST	%22,67	%19,34	362.698	309.440
	%100	%100	1.600.000	1.600.000

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)

a) Paid in capital (Cont'd)

Vestel Elektronik Sanayi ve Ticaret A.Ş. sold 7,750,000 shares of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. on June 13, 2023, 8,500,000 shares on June 22, 5,000,000 shares on June 23, 2023 and 32,000,000 shares on August 14, 2023 at Borsa Istanbul. With these transactions, Vestel Elektronik Sanayi ve Ticaret A.Ş.'s share in the capital of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. decreased to 77,33%.

b) Adjustments to share capital

Adjustment to share capital is the difference between the share capital recalculated to adjust the effects of hyperinflation until 31 December 2004 and historical share capital.

	31 December 2023	31 December 2022
Adjustments to share capital	6.231.085	6.231.085

c) Restricted reserves ("Legal reserves")

The legal reserves consist of first and second legal reserves appropriated in accordance with the Turkish Commercial Code ("TCC"). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. Under TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid in share capital.

	31 December 2023	31 December 2022
Legal reserves	1.198.318	1.239.341

The differences arising as a result of converting the following inflation-adjusted amounts in the company's legal records into CPI-adjusted amounts within the scope of TAS 29 are accounted under the Retained Earnings item.

	PPI-Indexed Legal Records	CPI Indexed Amounts	Differences Tracked in Past Years Profits/Losses
Capital Adjustment Gains/Losses	8.152.194	6.231.085	1.921.109
Appropriated Retained Earnings	1.939.472	1.198.318	741.154

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NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)

c) Restricted reserves ("Legal reserves") (Cont'd)

The details of the "Retained Years Profits or Losses" item in the Company's balance sheet prepared in accordance with TFRS within the scope of the first transition to TMS 29 inflation accounting are as follows:

	January 1, 2022	January 1, 2022	31 December 2022	31 December 2022
			Amount before inflation accounting (excluding 2022 net profit/loss)	Amount after inflation accounting
Prior Years Profits/Loss	Amount before inflation accounting	Amount after inflation accounting		
	1.642.079	6.514.120	858.734	4.850.530

e) Dividend distribution

For quoted companies dividends are distributed in accordance with the Communiqué Serial II -19.1 on "Principals Regarding Distribution of Interim Dividends" issued by the CMB effective from 1 February 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legislations. The communiqué does not state a minimum dividend rate. Companies distribute dividends in accordance with the method defined in their dividend policy or articles of association. Additionally, dividend can be distributed in fixed or variable installments and dividend advances can be paid over the profit on interim financial statements.

Unless the general reserves that has to be appropriated in accordance with TCC or the dividend to shareholders as determined in the articles of association or dividend policy are set aside; no decision can be taken to set aside other reserves, to transfer reserves to the subsequent year or to distribute dividends to holders of redeemed shares right certificates, to board of directors members or to employees; and no dividend can be distributed to those unless the determined dividend to shareholders is paid in cash.

On the other hand, in accordance with the Articles of Association of the Company, up to 5% of retained earnings after dividend distribution could be allocated to the Board of Directors or used for certain reasons designated by the Board of Directors when necessary.

- Based on the approval of the General Assembly, up to 3% of retained earnings after dividend distribution could be allocated to plant investments designated in accordance with article of 468 in TCC,
- Up to 5% of retained earnings after dividend distribution could be allocated to the Board of Directors as necessary,
- Up to 5% of retained earnings after dividend distribution could be allocated to donations, bonuses etc.

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NOTE 20 - SALES

	1 January - 31 December 2023	1 January - 31 December 2022
Domestic sales	18.242.987	15.973.645
Overseas sales	43.107.795	43.767.764
Gross sales	61.350.782	59.741.409
Sales discounts (-)	(280.877)	(158.296)
Net sales	61.069.905	59.583.113
Cost of sales	(51.094.963)	(53.782.067)
Gross profit	9.974.942	5.801.046

NOTE 21 - EXPENSES BY NATURE

	1 January - 31 December 2023	1 January - 31 December 2022
Raw materials, supplies and finished goods	44.095.323	47.493.262
Personnel expenses	4.407.290	3.576.997
Depreciation and amortization	1.955.534	1.984.895
Export, transportation, warehouse expenses	2.379.727	3.433.252
Other	2.291.628	2.200.169
	55.129.502	58.688.575

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NOTE 21 - EXPENSES BY NATURE (Cont'd)

Fees for Services Received from Independent Auditor/Independent Audit Firm

The Company's explanation of the fees for the services received from the independent audit firm is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Independent Audit Fees	3.391	1.844
	3.391	1.844

NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

a) General administrative expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	147.651	144.708
Depreciation and amortization	15.123	15.060
Consultancy expenses	277.615	230.460
Rent and office expenses	15.055	17.280
Travelling expenses	11.681	6.890
Energy expenses	5.937	8.406
Dışarıdan sağlanan fayda ve hizmetler	1.715	1.900
Other	51.039	162.771
	525.816	587.475

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NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Cont'd)

b) Marketing expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Export, transportation, warehouse expenses	2.323.376	3.358.600
Personnel expenses	218.332	181.821
Taxes, duties and fees	90.579	95.787
Depreciation and amortization	7.883	7.966
Sigorta giderleri	47.864	56.503
Other	262.798	78.072
	2.950.832	3.778.749

c) Research and development expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Depreciation and amortization	286.510	304.941
Personnel expenses	161.000	150.729
Other	110.381	84.614
	557.891	540.284

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NOTE 23 - OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES

a) Other operating income

	1 January - 31 December 2023	1 January - 31 December 2022
Credit finance gains arising from trading activities	187.579	126.533
Foreign exchange gains arising from trading activities	4.851.892	3.073.745
Other income	17.254	179.342
	5.056.725	3.379.620

b) Other operating expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Debit finance charges and interest income arising from trading activities	32.258	151.328
Foreign exchange expenses arising from trading activities	8.080.331	5.501.033
Other expenses	192.740	73.632
	8.305.329	5.725.993

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NOTE 24 - FINANCIAL INCOME AND FINANCIAL EXPENSE

a) Financial income:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains	1.938.599	2.026.039
Gains on derivative financial instruments	743.221	2.759.037
Interest income	309.343	426.956
	2.991.163	5.212.032

b) Financial expense:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange losses	1.145.736	1.139.816
Losses on derivative financial instruments	1.226.501	3.021.954
Interest and commission expense	1.846.999	1.325.004
Other finance expenses	556.739	238.452
	4.775.975	5.725.226

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NOTE 25 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2023	31 December 2022
Corporation and income taxes	129.360	4.870
Prepaid taxes (-)	(135.685)	(4.947)
Current income tax liabilities - net	(6.325)	(77)
Deferred tax assets/liabilities - net	(1.644.764)	(581.582)

Pursuant to paragraph 1 of Article 6 of the Corporate Tax Law No. 5520, corporate tax is calculated on the net corporate income of the taxpayers for an accounting period.

Pursuant to paragraph 2 of the same article, by taking into account the provisions of Income Tax Law No. 193 on commercial income, pure corporate income is calculated by adding legally unacceptable expenses to the commercial income and deducting the exempt earnings and discounts from the commercial income.

With the amendment made to Article 32 of the Corporate Tax Law No. 5520 with Article 21 of the Law No. 7456, corporate taxpayers other than banks, companies within the scope of the Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies are subject to corporate tax at the rate of 25% on their net corporate earnings in 2023 and the following taxation periods.

For banks, companies within the scope of Law No.

The above-mentioned amendment regarding the corporate tax rate will take effect starting from the declarations to be submitted on October 1, 2023. For the declarations submitted before this date, the corporate tax rate is 20%.

In addition to the corporate tax levied on corporate income, withholding income/corporate tax burden may arise if all or part of the profits of corporations are subject to profit distribution. By full taxpayer corporations;

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NOTE 25 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

- Full taxpayer real persons,
- For non-income and corporate taxpayers,
- For those exempt from income tax,
- Narrow taxpayer real persons,
- Limited taxpayers exempt from income tax,
- Institutions exempt from corporate tax,
- To limited taxpayer corporations or limited taxpayers exempt from corporate tax, except for those who obtain dividends through a place of business or permanent representative in Turkey,

In case of dividend distribution, 10% withholding income/corporate tax is payable. According to the Turkish tax legislation, capitalization of profit is not considered as dividend distribution.

Corporations are required to calculate advance tax on their quarterly earnings for the first 9 months of their accounting periods in accordance with the principles set out in the Income Tax Law No. 193 and at the corporate tax rate and declare it until the 17th day of the second month following that period and pay it until the evening of the 17th day.

Advance tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year.

Corporations are exempt from corporate tax on 75% of the gains arising from the sale of participation shares included in their assets for at least two full years and 25% of the gains arising from the sale of immovables included in their assets on July 15, 2023 for the same period.

As of July 15, 2023, corporate tax exemption is not applied to the gains arising from the sale of immovables taken into assets.

Under Turkish tax legislation, tax losses carried forward can be carried forward to offset against future taxable income for up to 5 years. However, tax losses cannot be offset against retained earnings.

In Turkey, there is no such practice as reconciliation with the tax authority on taxes payable. Corporate tax returns are required to be filed with the tax office by the 30th of the fourth month following the close of the accounting period and corporate tax is payable within the same period.

However, tax authorities may examine the accounting records within five years and the amount of tax payable may change if incorrect transactions are detected.

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NOTE 25 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Earnings from the Company's investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized in respect of deductible temporary differences, tax losses and tax advantages arising from investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized in respect of deductible temporary differences, tax losses and tax advantages arising from investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax.

For the periods ended December 31, 2023 and 2022, tax expenses recognized in the statement of comprehensive income are as follows;

	31 December 2023	31 December 2022
Current period tax expense	(182.322)	(6.277)
Deferred tax benefit	(593.910)	(248.050)
Total tax benefit	(776.232)	(254.327)

Due to modernization, plant extension and investments incentive documents in Manisa Organized Industrial Zone, the Company has reduced rate of corporate tax advantage.

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NOTE 25 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

The reconciliation of the period tax expense with the calculated tax provision is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Profit before tax	5.500.684	466.115
Local tax rate	%25	%23
Tax income calculated using local tax rate	(1.375.171)	(107.206)
Non-deductible expenses	(131.623)	(77.107)
Deduction and exemptions	185.454	152.562
Reduced taxation	1.033.691	883.361
Deferred tax effect of change in legal tax rate	(56.090)	2.673
Monetary gain / loss	(748.016)	(729.794)
Other	315.523	(378.816)
Total tax benefit	(776.232)	(254.327)

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NOTE 25 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Deferred tax assets and liabilities

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided using principal tax rate as of the balance sheet dates is as follows:

	Cumulative temporary differences		Deferred tax	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Deferred tax assets/(liabilities)				
Employment termination benefits	(676.641)	(854.775)	169.160	170.955
Investment incentive	-	-	741.782	878.182
Net difference between book values and tax bases of property, plant and equipment and intangible asset	12.340.471	8.346.376	(2.636.836)	(1.671.590)
Provision for impairment on inventories	385.460	190.237	(96.365)	(38.048)
Derivative financial instruments	(351.054)	(577.033)	87.764	115.407
Other	(358.924)	182.440	89.731	(36.488)
			(1.644.764)	(581.582)

The Company's earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or fully until the investment contribution amount is reached.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized for deductible temporary differences, tax losses and investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax.

Furthermore, financial statements consist of the deferred tax effect of the temporary differences accounted by the adjustments made regarding inflation accounting together with the notification of the Corporate Tax Law dated 30 December 2023 and numbered 32415.

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NOTE 25 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Deferred tax assets and liabilities (Cont'd)

As of December 31, 2023, the tax advantage amounting to TL 741.782 that the Company will benefit from in the foreseeable future is reflected in the financial statements as deferred tax asset. In line with the precautionary principle of accounting and in line with the budget made by the Company, the tax advantage arising from the investment incentives that the Company expects to benefit from in the coming year has been recognized as deferred tax asset in the financial statements.

However, the tax advantage amounting to TL 3.557.930 that the Company is entitled to use has not been recognized in deferred tax assets in accordance with the precautionary principle of accounting.

Total tax advantage arising from investment incentive certificate used in the current period is TL 708.501.

The Company assesses the recoverability of deferred tax assets related to investment incentives based on business models that include estimates of taxable profit. These business models include forward-looking management estimates such as sales volumes, selling prices and exchange rate expectations. As a result of the sensitivity analyses on the forward-looking use of investment incentives, it has been concluded that a 10% increase/decrease in the related estimates has no impact on the recoverability of the related deferred tax assets.

The movement of net deferred tax assets and liabilities is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance, 1 January	(581.582)	(574.795)
Tax benefit recognized in income statement	(593.910)	(248.050)
Recognized in shareholders' equity	(469.272)	241.263
Deferred tax assets at the end of the period, net	(1.644.764)	(581.582)

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NOTE 26 - EARNINGS PER SHARE

	1 January - 31 December 2023	1 January - 31 December 2022
Net income / (loss) attributable to equity holders of the parent	4.724.452	211.788
Weighted number of ordinary shares with a Kr 1 of par value (hundred shares)	1.600.000.000	1.600.000.000
Earnings per share	2,95	0,13

NOTE 27 - DERIVATIVE INSTRUMENTS

	31 December 2023		31 December 2022	
	Contract amount	Fair Value Assets / (Liabilities)	Contract amount	Fair Value Assets / (Liabilities)
Derivative financial instruments:				
Held for trading				
Forward foreign currency transactions	464.617	3.176	452.526	1.984
Cash flow hedge				
Forward foreign currency transactions	5.515.823	31.900	3.971.677	7.483
Derivative financial liabilities:				
Held for trading				
Forward foreign currency transactions	3.216.786	(56.690)	3.678.341	(326.185)
Cash flow hedge				
Forward foreign currency transactions	11.913.788	(329.440)	8.515.642	(260.315)
	21.111.014	(351.054)	16.618.186	(577.033)

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Capital risk management:

The Company manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through optimization of the debt and equity balance.

The management considers the cost of capital and the risks associated with each class of capital. The management aims to balance its overall capital structure through the payment of dividends, share issues and proceeds from or repayments of debt.

As of 31 December 2023 and 2022 the Company's net debt / total equity ratios are as follows:

	31 December 2023	31 December 2022
Total financial liabilities (Note 6)	4.589.141	10.244.779
Cash and cash equivalents (Note 5)	(729.540)	(953.664)
Net debt	3.859.601	9.291.115
Total shareholders equity	21.589.779	13.554.439
Total capital invested	25.449.380	22.845.554
Net debt/capital invested	15%	41%

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Notes to the Financial Statements for the Period

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

b) Financial risk factors:

The Company's activities expose it to a variety of financial risks including the foreign currency exchange rates risk, credit risk and liquidity risk. The Company's overall risk management program on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments in order to protect itself from various financial risks.

b.1) Credit risk:

Credit risk arises from bank deposits, trade receivables and other trade receivables. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of these agreements. The Company sells significant portion of its products to Vestel Ticaret A.Ş. which is a group company. Credit risk is evaluated by considering past experiences and current economic conditions and receivables is presented in the balance sheet after appropriate amount of provision for doubtful receivables is allocated. The company considers that the credit risk is managed effectively. The following statements show the analysis of credit risk as of 31 December 2023 and 31 December 2022:

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	Receivables					
	Trade receivables			Other receivables		
	Related party	Other party	Related party	Other party	Bank deposits	Other
31 December 2023						
Maximum exposed credit risk as of 31 December 2023 (A+B+C+D)	13.379.322	512.568	2.624.267	996.411	728.281	1.259
- Secured portion of the maximum credit risk by guarantees, etc.	-	(64.000)	-	-	-	-
A. Net book value of financial assets either are not due or not impaired	12.263.164	118.264	2.624.267	996.411	728.281	1.259
- Secured portion by guarantees etc.	-	-	-	-	-	-
B. Financial assets with renegotiated conditions	-	-	-	-	-	-
C. Net book value of the overdue but not impaired financial assets	1.116.158	394.304	-	-	-	-
- Secured portion by guarantees etc.	-	(64.000)	-	-	-	-
D. Net book value of the impaired financial assets	-	-	-	-	-	-
-Over due (gross book value)	-	2.505	-	-	-	-
-Impairment (-)	-	(2.505)	-	-	-	-
-Secured portion of the net value by guarantees etc.	-	-	-	-	-	-
E. Off-balance sheet elements involving credit risk	-	-	-	-	-	-

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	Receivables					
	Trade receivables			Other receivables		
	Related party	Other party	Related party	Other party	Bank deposits	Other
31 December 2022	13.877.597	345.176	3.959.759	1.284.518	952.572	1.092
Maximum exposed credit risk as of 31 December 2022 (A+B+C+D)						
- Secured portion of the maximum credit risk by guarantees, etc.	-	(154.421)	-	-	-	-
A.Net book value of financial assets either are not due or not impaired	13.877.597	188.906	3.959.759	1.284.518	952.572	1.092
- Secured portion by guarantees etc.	-	-	-	-	-	-
B. Financial assets with renegotiated conditions	-	-	-	-	-	-
C.Net book value of the overdue but not impaired financial assets	-	154.421	-	-	-	-
- Secured portion by guarantees etc.	-	(154.421)	-	-	-	-
D.Net book value of the impaired financial assets	-	-	-	-	-	-
-Over due (gross book value)	-	1.848	-	-	-	-
-Impairment (-)	-	(1.848)	-	-	-	-
-Secured portion of the net value by guarantees etc.	-	-	-	-	-	-
E. Off-balance sheet elements involving credit risk	-	-	-	-	-	-

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

Aging of financial assets which are overdue but not impaired is as follows:

	31 December 2023	31 December 2022
Overdue 1 - 30 days	627.598	87.517
Overdue 1 - 3 months	236.732	60.524
Overdue 3 - 12 months	646.132	6.380
Total	1.510.462	154.421

b.2) Price risk:

Due to the fact that the Company's operating profit and cash flows from operating activities has been affected by competition in the sector and changes in raw material prices, the prices are monitored by the Company management and cost-cutting measures has been taken in order to mitigate cost pressure effect on price level. In addition, the Company reviews market prices for active financial and operational risk management regularly.

Existing risks has been monitored on Audit Committee and Board of Directors meetings and raw material prices in market is reviewed closely.

b.3) Liquidity risk:

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by providing the continuity of sufficient funds and loan reserves by twinning the maturities of financial assets and liabilities by following cash flow regularly.

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Derivative financial liabilities are presented by undiscounted net inflows and outflows.

The analysis of the Company's financial liabilities with respect to their maturities as of 31 December 2023:

Contractual maturities	Carrying value	Contractual cash flows	Up to 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities						
Financial and lease liabilities	4.589.141	6.042.960	1.559.143	1.508.242	1.435.023	1.540.552
Trade payables	17.301.665	17.365.605	15.334.459	1.487.559	429.269	114.318
Other payables and liabilities	3.414.930	3.414.930	3.414.930	-	-	-
	25.305.736	26.823.495	20.308.532	2.995.801	1.864.292	1.654.870
Derivative financial instruments						
Derivative cash inflows		(21.111.014)	(9.354.319)	(11.756.695)	-	-
Derivative cash outflows		21.620.092	9.662.672	11.957.420	-	-
	351.054	509.078	308.353	200.725	-	-

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

The analysis of the Company's financial liabilities with respect to their maturities as of 31 December 2022:

Contractual maturities	Carrying value	Contractual cash flows	Up to 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities						
Financial and lease liabilities	10.244.779	10.770.278	2.882.336	7.869.808	18.134	-
Trade payables	17.813.055	17.930.957	15.328.583	2.191.539	295.558	115.277
Other payables and liabilities	1.227.920	1.227.253	1.227.253	-	-	-
	29.285.754	29.928.488	19.438.172	10.061.347	313.692	115.277
Derivative financial instruments						
Derivative cash inflows		(16.618.186)	(16.618.186)	-	-	-
Derivative cash outflows		14.703.419	14.703.419	-	-	-
	577.033	(1.914.767)	(1.914.767)	-	-	-

b.4) Foreign currency risk:

The Company is exposed to exchange rate risk due to its foreign currency denominated transactions. The main principle of foreign currency risk management is to maintain foreign exchange position at the level that minimizes the impact of foreign exchange fluctuations.

Derivative instruments are used in foreign currency risk management where necessary. In this respect the Company mainly prefers using foreign exchange forward contracts.

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	USD (Thousand)	EUR (Thousand)	Other (TL Equivalent)	TL Equivalent
31 December 2023				
1. Trade receivables	16.067	182.605	198.433	6.619.574
2a. Monetary financial assets (including cash and cash equivalents)	18.739	2.341	590	628.488
2b. Non-monetary financial assets	-	-	-	-
3. Other	52.992	47.760	2	3.115.721
4. Current assets (1+2+3)	87.798	232.706	199.025	10.363.783
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	6.636	2.017	-	261.053
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	6.636	2.017	-	261.053
9. Total assets (4+8)	94.434	234.723	199.025	10.624.836
10. Trade payables	245.638	193.029	87.968	13.631.190
11. Financial liabilities	31.573	12.461	-	1.337.764
12a. Other monetary liabilities	-	-	19.675	19.675
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	277.211	205.490	107.643	14.988.629
14. Trade payables	-	5.460	-	178.174
15. Financial liabilities	-	7.890	-	257.471
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	-	13.350	-	435.645
18. Total liabilities (13+17)	277.211	218.840	107.643	15.424.274
19. Off-balance sheet derivative instruments net asset / (liability) position (19a+19b)	663.267	(524.859)	(398.637)	1.997.176
19a. Hedged total assets	675.619	23.517	455.990	21.111.014
19b. Hedged total liabilities	(12.352)	(548.376)	(854.627)	(19.113.838)
20. Net foreign currency asset/ (liability) position (9-18+19)	480.490	(508.976)	(307.255)	(2.802.262)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(189.413)	13.866	91.382	(5.060.491)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(351.054)
23. Export	132.539	1.231.812	753.533	43.107.795
24. Import	526.414	192.062	28.675	17.115.356

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

31 December 2022	USD (Thousand)	EUR (Thousand)	Other (TL Equivalent)	TL Equivalent
1. Trade receivables	29.570	238.673	187.763	9.060.198
2a. Monetary financial assets (including cash and cash equivalents)	-	-	-	-
	9.764	14.193	1.221	769.040
2b. Non-monetary financial assets	-	-	-	-
3. Other	128.489	31	-	3.959.732
4. Current assets (1+2+3)	167.823	252.897	188.984	13.788.964
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	1.504	9.663	-	363.742
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	1.504	9.663	-	363.742
9. Total assets (4+8)	169.327	262.560	188.984	14.152.706
10. Trade payables	230.100	193.495	41.743	13.538.122
11. Financial liabilities	72.515	-	-	2.238.196
12a. Other monetary liabilities	-	11.265	-	370.692
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	302.615	204.760	41.743	16.147.002
14. Trade payables	-	9.157	-	301.325
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	-	9.157	-	301.325
18. Total liabilities (13+17)	302.615	213.917	41.743	16.448.326
19. Off-balance sheet derivative instruments net asset / (liability) position (19a+19b)	425.221	(368.704)	42.017	1.059.242
19a. Hedged total assets	495.366	14.668	355.595	16.329.832
19b. Hedged total liabilities	(70.145)	(383.372)	(313.578)	(15.270.589)
20. Net foreign currency asset/ (liability) position (9-18+19)	291.933	(320.061)	189.258	(1.236.378)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(134.792)	38.980	147.241	(2.659.363)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(577.035)
23. Export	145.634	1.242.590	465.822	43.767.764
24. Import	563.708	242.049	19.656	22.087.418

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

As of 31 December 2023 and 31 December 2022, sensitivity analysis of foreign exchange rate tables is presented below, secured portions include impact of derivative instruments.

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31 December 2023				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(539.535)	539.535	(539.535)	539.535
Secured portion from USD risk (-)	403.745	(403.745)	1.922.151	(1.922.151)
USD net effect	(135.790)	135.790	1.382.616	(1.382.616)
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	50.453	(50.453)	50.453	(50.453)
Secured portion from EUR risk (-)	(172.163)	172.163	(1.764.675)	1.764.675
EUR net effect	(121.710)	121.710	(1.714.222)	1.714.222
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	9.138	(9.138)	9.138	(9.138)
Secured portion from other currency risk (-)	5.671	(5.671)	43.490	(43.490)
Other currency net effect	14.809	(14.809)	52.628	(52.628)
Total	(242.691)	242.691	(278.978)	278.978

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Notes to the Financial Statements for the Period

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NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31 December 2022				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(412.338)	412.338	(412.338)	412.338
Secured portion from USD risk (-)	134.082	(134.082)	808.780	(808.780)
USD net effect	(278.256)	278.256	396.442	(396.442)
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	158.513	(158.513)	158.513	(158.513)
Secured portion from EUR risk (-)	(229.965)	229.965	(1.146.607)	1.146.607
EUR net effect	(71.452)	71.452	(988.094)	988.094
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	24.261	(24.261)	24.261	(24.261)
Secured portion from other currency risk (-)	1.033	(1.033)	17.596	(17.596)
Other currency net effect	25.294	(25.294)	41.857	(41.857)
Total	(324.414)	324.414	(549.795)	549.795

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

2.5) Interest rate risk:

The Company is exposed to interest rate risk as the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate hedge contracts and forward interest rate contracts.

Analysis of financial instruments of the Company which are sensitive to interest rate changes is as follows:

	31 December 2023	31 December 2022
Financial instruments with fixed interest rates		
Bank deposits	56.929	249.606
Financial liabilities	3.612.442	1.444.584
Financial instruments with floating interest rates		
Financial liabilities	976.699	8.800.195

On 31 December 2023, if interest rates of all currency denominated financial assets and liabilities with variable interest rates has strengthened / weakened by 100 basis points with all other variables held constant, income before taxes would have been TL 46.893 (2022: TL 27.977) lower / higher as a result of interest expenses.

NOTE 29 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

Categories of financial instruments and fair values

The Company classifies its financial assets into three categories: financial assets measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income. Among Company's financial assets, cash and cash equivalents (note 4), trade receivables (notes 6 and 7) and other receivables (notes 6 and 8), are classified as loans and receivables and are measured at amortized cost using the effective interest method.

Company's financial liabilities consist of financial liabilities (note 5) and trade payables (note 7) are measured at amortized cost using the effective interest method.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 29 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Company, using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange. Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Monetary assets

The book value of foreign currency denominated balances which are translated to TL using exchange rates prevailing on the date of the balance sheet approximate their fair values. For financial assets measured at cost including cash and cash equivalents, the carrying amounts are the same with fair values due to their short term nature. Carrying amounts of trade receivables net of impairments approximate their fair values.

Monetary liabilities

The fair values of short term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term. Fair value is calculated by discounting the cash out flows regarding due dates of financial liabilities considering the changing country risk premium and changes in the market interest rates.

Fair value hierarchy

The Company classifies the fair value measurement of each class of financial instruments according to the source, using the three level hierarchy, as follows:

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 29 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques do not contain observable market inputs

Fair value hierarchy tables as of 31 December 2023 and 31 December 2022 are as follows:

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments		(351.054)	-	(351.054)
31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	(577.033)	-	(577.033)

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Financial Statements for the Period

1 January - 31 December 2023

Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 29 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)

The Company's non-financial assets, calculated at fair value as of December 31, 2023 and 2022, are as follows:

31 December 2023	Level 1	Level 2	Level 3	Total
Tangible Assets				
Lands	-	7.087.255	-	7.087.255
Buildings and land improvements	-	5.721.208	-	5.721.208
31 December 2022	Level 1	Level 2	Level 3	Total
Tangible Assets				
Lands	-	2.966.489	-	2.966.489
Buildings and land improvements	-	3.829.907	-	3.829.907

NOTE 30 - OTHER FINANCIAL LIABILITIES

The maturity of other financial liabilities is 30 July 2030 and the interest rate is EURIBOR+2.5.

NOTE 31 - SUBSEQUENT EVENTS

None.

GRI CONTENT INDEX

Statement of use	Vestel Beyaz Eşya has reported in accordance with the GRI Standards for the January–December 2023 period.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/ Page No, Source and/ or Direct Answers	Additional information and reasons for omission
General disclosures			
	2-1 Organizational details	10-11, 16-17	
	2-2 Entities included in the organization’s sustainability reporting	158	
	2-3 Reporting period, frequency and contact point	158	
	2-4 Restatements of information	There are no restatements of information.	
	2-5 External assurance	192	
	2-6 Activities, value chain and other business relationships	10-11, 16-17, 32-33, 130-131	
	2-7 Employees	82-93, 167-169	
	2-8 Workers who are not employees	95, 167-169	
	2-9 Governance structure and composition	20-21, 26-27, 127, 128-130, 143-145, 149-157	
	2-10 Nomination and selection of the highest governance body	149-151	
	2-11 Chair of the highest governance body	149-151	
	2-12 Role of the highest governance body in overseeing the management of impacts	44-45	
	2-13 Delegation of responsibility for managing impacts	44-45	
	2-14 Role of the highest governance body in sustainability reporting	44-45	
	2-15 Conflicts of interest	139	
	2-16 Communication of critical concerns	134-136	
	2-17 Collective knowledge of the highest governance body	20-21, 128-130	
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	143-145	
		84, 157	
	2-19 Remuneration policies	https://www.vestel.com.tr/content/kurumsal-politikalar	
	2-20 Process to determine remuneration	148	
	2-21 Annual total compensation ratio	-	It is not disclosed due to confidentiality.
	2-22 Statement on sustainable development strategy	18-19, 22-25, 44-45	
	2-23 Policy commitments	https://www.vestel.com.tr/content/kurumsal-politikalar	
	2-24 Embedding policy commitments	https://www.vestel.com.tr/content/kurumsal-politikalar	
	2-25 Processes to remediate negative impacts	44-45, 50-62	
	2-26 Mechanisms for seeking advice and raising concerns	83-85, 122	
	2-27 Compliance with laws and regulations	48-50, 134-136	
	2-28 Membership associations	162	
	2-29 Approach to stakeholder engagement	159-161	
	2-30 Collective bargaining agreements	There is no employee under the Collective Bargaining Agreement. All employee rights and benefits are protected and observed under the Labor Law No. 4857. Employees are informed by managers about decisions that may affect employees.	

GRI CONTENT INDEX

GRI Standard	Disclosure	Location/ Page No, Source and/ or Direct Answers	Additional information and reasons for omission
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	36-37	
	3-2 List of material topics	37-39	
	3-3 Management of material topics	36-41	
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41, 98-101	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	98-99	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49	
	205-1 Operations assessed for risks related to corruption	48-49	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	48-49	
	205-3 Confirmed incidents of corruption and actions taken	49	
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	48-49	
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	71	
GRI 207: Tax 2019	207-1 Approach to tax	71	
	207-2 Tax governance, control, and risk management	71, 138	
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	108-109	
GRI 301: Materials 2016	301-2 Recycled input materials used	108-109, 118	
	301-3 Reclaimed products and their packaging materials	108-109, 118	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41, 105, 170	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	170, 172, 178	
	302-2 Energy consumption outside of the organization	170, 172, 178	
	302-4 Reduction of energy consumption	40	
	302-5 Reductions in energy requirements of products and services	40	
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	111	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	164	
	303-3 Water withdrawal	40	
	303-4 Water discharge	164	
	303-5 Water consumption	111, 116	

GRI Standard	Disclosure	Location/ Page No, Source and/ or Direct Answers	Additional information and reasons for omission
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41, 103-104	
	305-1 Direct (Scope 1) GHG emissions	40, 170	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	40, 170	
	305-3 Other indirect (Scope 3) GHG emissions	40, 170	
	305-4 GHG emissions intensity	40, 170	
	305-5 Reduction of GHG emissions	40, 170	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	164	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41, 108-109	
	306-1 Waste generation and significant waste-related impacts	108-110	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	108-110	
	306-3 Waste generated	171	
	306-4 Waste diverted from disposal	171	
	306-5 Waste directed to disposal	171	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41, 98	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	98-101	
	308-2 Negative environmental impacts in the supply chain and actions taken	98-101	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41, 82-84	
	401-1 New employee hires and employee turnover	167-169	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	92	
	401-3 Parental leave	92, 169	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	93-95	
	403-1 Occupational health and safety management system	93-94	
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	95	
	403-3 Occupational health services	94-95	
	403-4 Worker participation, consultation, and communication on occupational health and safety	93-94	
	403-5 Worker training on occupational health and safety	94-95, 169	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	93-94	
	403-8 Workers covered by an occupational health and safety management system	93-94	
	403-9 Work-related injuries	95	
	403-10 Work-related ill health	95	

GRI CONTENT INDEX

GRI Standard	Disclosure	Location/ Page No, Source and/ or Direct Answers	Additional information and reasons for omission
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	86-87	
	404-1 Average hours of training per year per employee	87	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	87-91	
	404-3 Percentage of employees receiving regular performance and career development reviews	86-87	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	82	http://www.vestelinvestorrelations.com/en/_assets/pdf/zorlu-elektro-nik-code-of-ethics.pdf
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	82-83	
	405-2 Ratio of basic salary and remuneration of women to men	84	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 85	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	82, 85	There were no cases of discrimination during the reporting period. http://www.vestelinvestorrelations.com/en/_assets/pdf/zorlu-elektronik-code-of-ethics.pdf
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-41, 98	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	98-101	
	414-2 Negative social impacts in the supply chain and actions taken	98-101	
Public Policy			
GRI 415: Public Policy 2016	415-1 Political contributions	Vestel does not support any political organizations.	
Customer Health and Safety			
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No non-compliance incidents related to the health and safety impacts of products and services occurred during the reporting period.	
Marketing and Labeling			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	76, 163	
	417-2 Incidents of non-compliance concerning product and service information and labeling	No non-compliance incidents related to product and service information and labeling occurred during the reporting period.	
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance with marketing communications occurred during the reporting period.	
Customer Privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no confirmed complaints regarding the violation of customer privacy and loss of customer data.	

INVESTOR INFORMATION

GENERAL INFORMATION

Reporting Period: 01.01.2023 - 31.12.2023
Trade Name: Vestel Beyaz Eşya Sanayi ve Ticaret AŞ
Trade Registration No: Istanbul Trade Registry Office, No: 380814
Registered Capital Ceiling: TL 2,000,000,000
Paid-in/Issued Capital: TL 1,600,000,000

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FINANCIAL DATA AND COMPANY ANNOUNCEMENTS

Financial statements, auditor reports, annual reports and material event disclosures of Vestel Beyaz Eşya Sanayi ve Ticaret AŞ are available on the Company's website at <http://vesbe.vestelinvestorrelations.com>.

Additionally, requests for information can be submitted to the Investor Relations Directorate of the Vestel Group of Companies via e-mail.

INVESTOR RELATIONS

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