

Lead. Together Strategy

1. Overall Framework

Creating long-term, sustainable value for the world and the countries in which it operates lies at the heart of Koç Group's business model. Its heritage, influence and leadership role offer a variety of opportunities in sustainability. Koç Holding manages its efforts in this area within the framework of the "Lead. Together" strategy. Enabled by talent, expansive networks, technology and innovation, the main pillars of this strategy are business, people, the planet, and communities.

Our Manifesto

"Lead. Together" is our approach to sustainable, profitable growth at the Koç Group. It sets a framework for making collective progress. And it helps us harness the power of our network to drive positive change.

"Lead. Together" means we will,

- innovate and collaborate to find solutions to big, complex issues.
- be a positive role model that drives change in society and act bravely to transform our business for the better.

"Lead. Together" reflects the difference we can make across the Koç Group and our commitment to partnership. Our stakeholders drive us to make a difference. Our people mean we can bring our promise to life.

We believe that our prosperity is connected to the prosperity of the world we live and work in.

Through "Lead. Together", we focus on...

- Grow the business. Together
- Empower people. Together
- Act for the planet. Together
- Strengthen communities. Together

We are progressing collectively across the board. "Lead. Together" is a journey. Our potential is huge.

Part of the Bigger Picture: The United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) represent a set of targets which must be reached by 2030 in order to end poverty, protect natural resources, and ensure prosperity for all. The Koç Group fully acknowledges the role of business in the realization of these essential goals, and with its "Lead.Together" strategy, consciously and directly contributes towards them. Through its annual sustainability reports and other publications, the Group regularly shares its performance regarding the SDGs.

Additionally, the UN Global Compact, signed by Koç Holding in 2006, represents a robust framework for sustainability efforts. As a member of the board of directors of Global Compact Turkey, Koç Holding continues to support the dissemination of UN Global Compact in Turkey.



2. Material Sustainability Issues

In line with evolving expectations from stakeholders and global trends, Koç Holding regularly reviews its focus on sustainability issues under the “Lead. Together” strategy, in order to identify environmental, social and corporate governance-related risks and opportunities. The company conducted a study in 2020 to identify these material issues.

In the initial part of this study, global and sectoral trends, business benchmarks, and media and investor inquiries were analysed. In the second phase, focusing on the sectors in which Koç Group operates, key stakeholder opinions — including those of employees, non-governmental organizations (NGOs), academics, international organizations, industry organizations, and customers and suppliers — were gathered. Qualitative and quantitative analyses were carried out of the data obtained, following which the main components of the “Lead. Together” strategy were reviewed under the leadership of Koç Holding's senior management.

According to the study conducted in 2020, Koç Holding meets stakeholder expectations across all the areas below. All these issues are important to stakeholders, and are managed under the “Lead. Together” strategy, which clearly outlines Koç Group’s commitment to growing its business while respecting the interests of people, the planet, and communities.

- Digital transformation, innovation, supply chains, distributor networks, and talent management are defined as strategic issues in terms of the company’s business success.
- Starting with transitioning to a low carbon economy and climate risks, a number of environmental issues are priority concerns for various stakeholder groups; especially NGOs, customers, suppliers, and investors.
- All stakeholder groups stated that human rights and labour standards as well ethics and compliance are of fundamental importance in ensuring the sustainability of the group’s activities.

Sustainability Management

Focusing on managing its sustainability efforts at the highest level, Koç Holding reports on progress in relation to its “Lead. Together” strategy and other priority issues to the Corporate Governance Committee. Tasked with the implementation of the strategy as well as coordinating with the different units across the group, the Sustainability Unit is part of the Corporate Communications and External Affairs Department, which reports to the CEO of Koç Holding. All activities and achievements in the context of the “Lead. Together” strategy are publicly shared on a regular basis, through annual reports and sustainability reports.

This Policy takes effect on March 1st, 2021 as of the date approved by the Board of Directors.