Koç Holding Sustainability Report 2024

Koç | Lead Together

Contents

About the Report

Koç Holding shapes its business strategies in line with its goals of sustainable growth and value creation while aiming to transparently share its financial and non-financial performance with stakeholders. These are valid for the following period between January 1, 2024, and December 31, 2024.

The term Koç Group is used to include all subsidiaries, joint ventures, and financial investments mentioned in the financial report and subject to consolidation, all relevant subsidiaries have been evaluated in this report by considering the same scope.

The financial data presented in this report have been prepared in compliance with the **Turkish Financial Reporting Standards (TFRS -** *issued by the Public Oversight, Accounting, and Auditing Standards Authority (KGK*)**)**. Koç Holding's 2024 independent financial audit was conducted in accordance with the **Independent Auditing Standards**, which are a part of the **Turkish Standards on Auditing** enacted by the **Public Oversight, Accounting, and Auditing Standards Authority (KGK)**, and also deemed applicable by the Capital Markets Board, which form part of Turkey's national auditing framework. For details regarding the scope of the financial data included in the report, the **Koç Holding 2024 Consolidated Financial Statements**. can be reviewed. The presentation currency for climate-related financial disclosures has been determined to be Turkish Lira (TL), in line with the presentation currency of the consolidated financial statements.

The Koç Holding 2024 Sustainability Report has been prepared in alignment with international initiatives such as the **Global Reporting Initiatives (GRI), WEF Stakeholder Capitalism Metrics**, **United Nations Global Compact (UNGC), the United Nations Women's Empowerment Principles (WEPs), and the Task Force on Climate-related Financial Disclosures (TCFD*)**. The report is structured to meet the expectations of the sustainability frameworks in which the company participates and discloses general information on sustainability. Koç Holding 2024 TSRS Compliant Sustainability Report that has been prepared in alignment with Turkish Sustainability Reporting Standards (TSRS) is published separately.

Scope 1 and 2 emissions and OHS data presented in this report have been consolidated for Koç Holding and its subsidiaries in line with **2024 Consolidated Financial Statements**. Scope 1 and 2 emissions data of joint ventures have been aggregated and presented separately. The list of consolidated subsidiaries and the list of consolidated joint ventures can be found in Appendix: Koç Holding Consolidation Scope. Scope 3 emissions, other environmental and social performance indicators on **pages 162-167** covers the following Group Companies and their subsidiaries: **Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem (except for Scope 3), Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi**, which collectively represent **~94% of Koç Group's combined revenues** in 2024. Accordingly, selected data regarding **2024 environmental and social performance indicators on pages 162-167** have been **assured by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY).**. Details of this assurance process are provided in the "**Appendices**" section under the headings "**Performance Indicators**" and "**Independent Assurance Statement**".

For the risk and opportunity analyses presented in this report, 100% of the financial consolidation scope has been taken into account. Companies that represent approximately 94% of the Group's combined revenues in 2024 have been included in the scope, based on either their level of exposure to climate risks or their financial materiality (i.e., having a revenue share above the defined threshold within combined revenues).

* As of 2024, TCFD is part of ISSB.

Chairperson's Statement

The foundation of our success lies in the strength that we draw from our stakeholders, because we know that sustainability is only possible through collective action. Developing solutions that will invest towards the future of our planet and our regions of operation will continue to be at the heart of our sustainability strategy.

Dear Stakeholders,

We have left behind a challenging year **marked by increasing uncertainties** regarding the global order and **deepening economic and environmental vulnerabilities.**

While **major conflicts** and transformations have been unfolding in the **Middle East**, **the war in Ukraine** entered its fourth year. In the **European Union**, our country's and Koç Group's largest trading partner, elections have shown a continued rise of the far-right. **Following Trump's re-election in the United States, developments** and new tariffs signal that **the competition for global dominance between the U.S. and China** will be the most powerful factor in shaping the international political landscape.

From an environmental perspective, 2024 was a year during which **extreme weather events continued to be on the rise**, the **record on hottest year** broken **once again**, and temperatures being **1.55°C above pre-industrial levels**, as confirmed by The World Meteorological Organization.

Despite these adversities in various areas, as Koç Group, we continued to **manage our risks and opportunities prudently**, without compromising our long-term strategic perspective. **For a century, we have proudly been working for the future of our country and have been progressing** steadily towards our strategy **"Lead. Together"** with the responsibility and determination to create value for our stakeholders.

Our strategy highlights the central role of environmental, social, and corporate governance issues in our decision-making processes. In this regard, we implement a **variety of transformation programmes** harmonizing with technological, environmental and social dynamics, thus creating **a large and chaining ripple effect** by including our stakeholders.

In 2024, we have taken another step closer to our goals, thanks to the efforts of our Group Companies **aimed at creating a more sustainable and equitable opportunity system for all**. While we are going through a period of rapidly increasing environmental volatility, we have strengthened **our resilience against diversified climate related risks and opportunities**. Being aware of our unprecedented role in the private sector, **we continued** our **social investments** and take pride in the **international recognition** of our efforts. The foundation of our success lies in the strength that we draw from our stakeholders, because we know that **sustainability is only possible through collective action.** Developing solutions that will invest towards the future of our planet and our regions of operation will continue to be at the heart of our sustainability strategy.

On this occasion, I would like to express my most sincere gratitude to **our shareholders, customers, dealers, business partners, unions, managers, employees, and all stakeholders** who have contributed to our Group's continuous progress over the years.

I am pleased to share with you our **sustainability performance in the year 2024 and our plans for the years to come.**

Ömer M. Koç
Chairperson

As we prepare to celebrate our 100th anniversary next year, we remain committed to advancing towards our sustainability goals with the same sense of responsibility and dedication.

CEO's Statement

Dear Stakeholders,

We have closed a tough year where **economic and geopolitical developments** were at the forefront. Controversial elections held in USA and Europe, debates surrounding the EU Green Deal, and U.S. President Donald Trump's environmental and energy policy moves that could be qualified of recessionistic have contributed to **increased uncertainties in the global green transition.**

Under such circumstances, we have continued our sustainability journey with determination, **driven by our century-long legacy** and our **aspiration to create long-term value** for all our stakeholders.

At Koç Holding, we approach sustainability-related risks with a realistic perspective, evaluate the potential to turn them into opportunities with competitive advantage, and strive to integrate them into our business models. We are pleased to share the **updated version of our climate-related risk and opportunity assessment**. As part of our Carbon Transition Program launched to achieve **carbon neutrality by 2050**, we made further concrete progress in reducing Scope 1 and 2 emissions in 2024, achieving a **17% reduction compared to the 2017 baseline**. Our Group Companies that received approval for their emission reduction targets from the Science Based Targets Initiative (SBTi) set an example in their respective sectors.

Water is the main issue linked to climate change. At Koç Holding, we are proud to be among the endorsers of the **CEO Water Mandate**, United Nations' leading initiative in water stewardship. Considering that Turkey is a water-stressed country, we are expanding practices aimed at reducing freshwater consumption in our operations. Through the initiatives we have implemented across Koç Group, we **reduced our water withdrawal by 17% over the past five years.**

We consider our internationally recognized achievements as a strong reflection of our unwavering commitment to sustainability. In **S&P Global's** Corporate Sustainability Assessment, we ranked within **the top 10% of the industrial conglomerates category**. Koç Holding was also rated **in the leadership category** with an **"A-" in CDP's Climate Change and Water Security Programs**, the world's largest environmental disclosure platform.

As Koç Group, we believe that equal participation in economic, social, and cultural life forms the foundation of a resilient society. In the framework of **our leadership of the Technology and Innovation Action Coalition under the UN Women's Generation Equality Forum**, we continue to carry out, through our Group companies, projects that encourage young girls to pursue **STEM (science, technology, engineering, and mathematics) fields**, both in education and professionally, and that support women in building careers in these areas.

Meanwhile, we view the "**Hope Cities**" we established following the earthquakes centered in Kahramanmaraş as one of the **most concrete demonstrations of our positive social impact**. In collaboration with our Group companies, the Vehbi Koç Foundation, public institutions, and non-governmental organizations, we continue to support the residents of Hope Cities. This year, Hope Cities was **recognized by the World Economic Forum as an exemplary case study in creating social value**, offering opportunities ranging from education to employment and social services to income-generating activities. Moreover, the project won the **"Social Impact" grand award at the Thomson Reuters Sustainability Awards**, one of the most prestigious sustainability awards in the world.

As we prepare to celebrate our 100th anniversary next year, we remain committed to advancing towards our sustainability goals with the same sense of responsibility and dedication. I therefore would like to take this occasion to extend my sincere **thanks to all our stakeholders who contributed to Koç Holding's successful sustainability journey in 2024**.

It is my pleasure to share with you our 2024 Sustainability Report.

Levent Çakıroğlu
CEO

2024 at a Glance*

Main Business areas

- Energy
- Automotive
- Consumer Durables
- Finance
- Other***

~130,000
Employees

More than
10,000
dealers and after-sales service points

Exporting to more than
155 countries

7% of Turkey's private sector R&D expenditure

7% of Turkey's total exports

Revenues equal to
7% of Turkey's GDP

Total market capitalization equal to
19% of Borsa Istanbul 100 Index

>130 production facilities and marketing/sales companies abroad

Non-financial indicators

ESG Commitments

- Reduction in Scope 1 and 2 GHG emissions (baseline year: 2017):
  - 20%**** in 2030
  - 49% in 2040
  - Carbon neutral in 2050

  Progress: 17% reduction as of 2024

Other ESG-related commitments

- As of the end of 2023, consumption of single-use plastics among employees has ended
- Commitment to keep the % of women on board of directors at least at 30% at all times

International Platforms

- Task Force on Climate-related Financial Disclosures (TCFD)**
- WEF Stakeholder Capitalism Metrics
- WEF CEO Action Group for the European Green Deal
- WEF Center for Nature and Climate
- WEF Water Futures Community
- WEF Industry Net Zero Accelerator
- One of the Action Coalition Leaders on Technology and Innovation at the UN Generation Equality Forum
- UN Women's Empowerment Principles (UN WEPs)
- UN Women Unstereotype Alliance
- UN Global Compact (UNGC)
- UN Global Compact CEO Water Mandate
- UNGC CFO Coalition for the SDGs

Sustainability Indices

- BIST Sustainability Index
- CDP Climate Change and Water Security Programs[1]
- MSCI ESG Rating
- FTSE4Good
- Sustainalytics ESG Rating
- V.E (Moody's ESG Solutions)
- ISS ESG: Prime
- S&P Global CSA[2]

1 (2024 Scores: A- for Climate Change and A- for Water Security)
2 Top 10% in the Industrial Conglomerates Category

* The data covers all operations and companies of Koç Group.
** As of 2024, TCFD is part of ISSB.
*** The Group's "Other" sector primarily includes companies operating in food, retail, tourism, information technologies, shipbuilding, and healthcare. Due to their relatively low commercial volume, these companies are not considered as separate reportable sectors.
**** Main reason for reducing the 2030 interim target from 27% to 20% is the postponement of the hydrogen transition in the energy sector to post-2035 due to its low feasibility.

Our Manifesto

Lead. Together is our approach for sustainable, profitable growth at Koç Group. It sets a framework for making collective progress and helps us harness the power of our network to drive positive change. We believe sustainability is directly connected to our business growth, and to our unique role in society, which drives us to inspire others and develop every person and organization we engage with.

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

Lead. Together reflects the difference we can make across Koç Group and our commitment to partnership. The expectations of our stakeholders inspire us to make a difference and the diverse abilities of our people mean we can bring our promise to life. We are progressing collectively across the board.

Lead. Together is a journey.

And our potential is huge.

Our heritage, our future.

Our founder Vehbi Koç once said that our prosperity is connected to the prosperity of our country. Our aspiration to become a global leader means elevating Vehbi Koç's vision to a global scale. We believe our prosperity is connected to the prosperity of our country and the World we live and work in.

Grow the business. Together

Empower people. Together

Act for the planet. Together

Strengthen communities. Together

Our Sustainability Strategy

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. We manage sustainability as a part 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.

We deliver **Lead. Together** across four pillars: business, people, planet and community. All four pillars are interconnected, and all four are of equal importance. So, whether we're innovating to address big and complex issues, addressing climate crisis with digital tools, or adopting an inclusive leadership approach to carry our talents to the future, it's clear that the pillars are closely related. They rely on each other, and they are interlinked.

Launched in 2017, **Lead. Together** and its pillars are a result of an iterative process that included cross-functional teams from Group companies, senior management across different industries, external stakeholders, and opinion leaders.

At Koç Group, we pay utmost importance to reflect sustainability trends as well as changing stakeholder expectations to our strategy. By periodically reviewing our material issues we make sure that our **Lead. Together** sustainability strategy is fit-for-purpose. It ensures that we are aware of emerging and shifting sustainability issues that are most relevant to our business and that we continue to meet the expectations of our stakeholders and investors.

Lead. Together across four pillars: **business, people, planet** and **community**. All four pillars are interconnected, and all four are of equal importance.

Our Sustainability Strategy

Digital Transformation

to maximise the opportunities offered by digital technologies including artificial intelligence, Internet of Things and data analytics while also protecting data and ensuring cyber security. Delivered through a rigorous change programme that is supported by a network of digital transformation leaders.

Innovation

to build a Group-wide culture of innovation and intrapreneurship, with the ultimate goal of integrating innovation into our core business through intrapreneurship, open innovation approaches and effective collaborations.

Future Talent

to grow and strengthen our talent pipeline and give our people the skills and motivation they need to prosper in tomorrow's workplace.

Diversity and Inclusion

to build a diverse workforce and offer equal opportunities to employees at all levels while meeting the needs of all genders, ages, and job categories to provide a decent work environment.

Transition to Low Carbon

to demonstrate our commitment to becoming a low-carbon business by effectively managing climate-related risks, investing in clean technology and product stewardship and improving our performance on energy use and greenhouse gas emissions.

Sustainability Governance

Robust corporate governance is key for long-term success. It helps Koç Group Companies improve performance and mitigate risks. Enhanced transparency on corporate governance and ESG issues is also seen as essential to Koç Holding's ongoing business success by stakeholders, especially investors. Sustainability is an integral part of our governance approach. In this respect, Koç Holding regularly reports its progress related to "**Lead. Together**" strategy and other material issues according to the Sustainability Principles Compliance Framework of Capital Markets Board (CMB) of Turkey to the Board of Directors through Corporate Governance Committee and the updates regarding sustainability and climate related risks and opportunities to the Risk Committee.

The Sustainability Unit, which is part of the Corporate Communications and External Affairs Department and reports to the CEO, is responsible for the implementation of the strategy as well as coordinating the different units across the Group. The manager reporting to the General Manager or Deputy General Manager is responsible for the relevant Koç Group companies, the responsible works in coordination with the Company's environmental, human resources, finance, law, audit, purchasing, innovation and digital transformation teams. The relevant units in the Koç Group companies are regularly informed of Koç Holding's sustainability efforts. These departments meet twice a year to establish cross-sectoral connections, evaluate global trends and potential impacts, and share the companies' strategic priorities and best practices.

The Koç Group Carbon Transition Program is managed under the leadership of Levent Çakıroğlu, the CEO of Koç Holding, and is coordinated by the sustainability, finance, strategy, and business development teams within Koç Holding. The program advances with the contributions of Carbon Transition Leaders, which include senior managers from the Group companies, as well as employees from various departments such as R&D, environment, finance, innovation, human resources, corporate communication, marketing, purchasing, strategy, and production. The Koç Group Environmental Council provides technical support.

COMPANIES

	Koç	Arçelik	AYGAZ	FORD OTOSAN	Otokar	TOFAŞ	Tüpraş	TürkTraktör	YapıKredi
Dow Jones Sustainability Indices		✓							
MSCI	✓	✓		✓		✓	✓		✓
FTSE4Good	✓	✓		✓			✓		✓
SUSTAINALYTICS RATED	✓	✓	✓	✓		✓	✓	✓	✓
BORSA İSTANBUL Sustainability Indices	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bloomberg		✓		✓			✓		✓
Moody's Analytics	✓	✓					✓		
ecovadis		✓							
CDP	✓	✓		✓		✓	✓	✓	✓
ISS ESG	✓	✓							✓

as of May 2025

For detailed information please see **Climate Governance** and **Carbon Transition Program** sections.

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 Türkiye, Koç Holding continues to support the dissemination of UN Global Compact in Turkey.

Grow the business. Together

Empower people. Together

Act for the planet. Together

Strengthen communities. Together

Our Business Model and Value Chain

KOÇ HOLDING MAIN BUSINESS LINES

ENERGY

Oil, Gas & Consumable Fuels & Gas Utilities
Tüpraş I OPET I Aygaz
Renewable Electricity
Entek

AUTOMOTIVE

Automotive & Spare Parts
Ford Otosan I TOFAŞ I Otokar I TürkTaktör
Automotive Retail and Car Rental
Otokoç

CONSUMER DURABLES

Consumer Durables
Arçelik

FINANCE

Banking, Financial Services & Insurance
Yapı Kredi

OTHER

DIY Retail
Tourism (Hospitality, Restaurant, Marina & Duty-Free)
Motor, Shipbuilding
Information Technologies
Financial Technologies
Healthcare

Activities in Main Business Lines

Capital Type	Inputs	Outputs	Value and Impact Created
Financial	• 529 billion TL in consolidated paid in capital • 98 billlion TL in consolidated capital expenditures (CAPEX) • Access to sustainable finance instruments (green bonds, sustainability-linked loans) • Strong liquidity and credit profile	• 2,317.9 billion TL in consolidated revenue • ~30% of revenue from international markets • ~7% of Turkey's total exports • ~7% of Turkey's GDP • ~19% Total Market Capitalization on Borsa İstanbul 100 Index • ~113 billion TL revenue from low-carbon products and services	• Financial resilience and long-term growth • Strong investor confidence • Stronger and improving position in ESG performance across indices • Improved ESG transparency, accountability and performance
Manufactured	• >130 production facilities across 4 continents • ~770 Yapı Kredi bank branches • 10,000+ dealers and after-sales service points • Advanced logistics network • Smart manufacturing infrastructure	• Leading production capacity • 39% of Turkey's total automotive production and 36% of its automotive exports. • 60% of the tractor production in Turkey and 73% of Turkey's tractor exports • Exports to over 155 countries (3 of Turkey's top 10 goods exporters: 1. Ford Otosan 4. Tüpraş, 8. Arçelik)	• Global industrial reach and operational continuity • Sectoral diversification and resilience • Smart production transformation • Supporting Koç Holding's low-carbon transition • Infrastructure aligned with decarbonization targets
Intellectual	• 12.9 billion TL in R&D investment • 7,453 R&D personnel • 37 R&D centers and 5 technopark offices • Open innovation platforms • International collaborations (e.g. Horizon Europe)	• 2,800+ patent families • 5,700+ patent, (305 new filing in 2024) • 8,600+ trademarks • 1,000+ industrial designs • Post R&D/innovation commercialized technologies and products • 4 WEF Global Lighthouse Factories • 100+ EU Horizon and international R&D projects • Technology integration projects (Digital twin, AI-based maintenance, cybersecurity, hydrogen tech innovation pilots, machine learning)	• Strong innovation culture • Monetization of intellectual property • Technological leadership and future-proof solutions • Sectoral leadership in patents and applied research • Competitive advantage in smart manufacturing and sustainable design • Commercialization of intellectual property and alignment with low-carbon transition goals
Human	• ~130,000 employees • 5.7 million hours of HSE training • 12,000+ e-learning courses (KoçAkademi) • 300+ leadership programs (LEAD Academy) • AI-based recruitment and RE-PAP certified hiring systems	• 31% women in workforce • 27% female representation in leadership • 3,000 internal rotations • High recommendation scores from the talent programs offered	• High employee retention and talent engagement • Inclusive and safe work culture • Enhanced leadership and digital agility • Organizational agility and resilience
Natural	• 98.9 million GJ energy consumption • 3.6 million GJ renewable energy use • 31.2 million m³ water withdrawal • 8,997.9 million TL in environmental investments • % of ISO 14001-certified sites: 97% • Technology and innovation for climate	• 2.18 million GJ energy saved • 6.5 $MtCO_2e$ Scope 1–2 emissions (market-based) • 218 thousand tCO_2e reduced (2023) • 18,6 million m³ water recycled and recovered • 438 thousand tons of waste recycled and /or recovered • 318.7 million TL saved via environmental investments	• 3 Group Companies with SBTi-aligned commitments, 2 of which are Net-Zero 2050 • Embedded R&D in climate mitigation • Circular economy implementation • Energy and water resource efficiency targets across Group Companies • Climate-compliant infrastructure and policy alignment • Reduce dependency on natural resources
Social & Relationship	• 22.7 million customers • 8,323 Tier-1 suppliers • Supplier ESG Initiative program • Global Partnerships with UN Women and Action Coalition Leader on Technology and Innovation • Commitments to social contribution and economic empowerment of women • Youth support programs across the Group • 55+ NGO and public partnerships in the earthquake affected region	• 935 suppliers assessed in line with Supply Chain Sustainability Initiative • 30 group companies are signatories of UN Women Empowerment Principles • Housing for 20,000 disaster-affected individuals. 5,500 children received academic and psycho-social support • 341,713 people reached through STEM related community programs • 1,500+ employees engaged in volunteering	• Strong stakeholder trust • Inclusive value chain • Enhanced brand equity and social license to operate • Local development and cultural engagement • Wide range of positive impact area

Risk Management

Since its foundation, Koç Group has achieved long-term success through its robust approach toward risk management. Koç Holding uses sophisticated risk assessment, modeling, reporting, and capital allocation techniques. These processes boost transparency and encourage a more systematic approach to risk assessment in investment and business decisions at all levels.

Risk Management Governance and Approach

At the Koç Group, risks are managed by the Finance Department with the oversight of the Board of Directors, in coordination with all Group presidents.

At the Board level, the Risk Committee ensures that the mechanisms for early detection and management of risks are in place. The Committee is chaired by the independent Board member Mr. Peter Martyr since 12 April 2021. The other member of the Committee is the Board member, Ms. Caroline N. Koç.

The Committee evaluates Koç Holding's risk management system and the principles of risk reporting, and analyzes the risk reports, as well as making recommendations for measures that do not conform to designated limits in the Risk Management System. The Committee also assesses information security practices, monitors compliance risks, follows up related activities and evaluates sustainability risks. Reports and committee assessments are periodically provided to the Board of Directors. The Committee held six meetings in 2024.

Koç Holding's Risk Management function, being a part of the Finance function, reports to CFO. The function develops the Group's risk policies, limits and monitoring mechanisms. This function leverages the risk infrastructures in each of the Company's businesses, which have adopted an approach aligned with the Group's overall risk policies and limits. Koç Group's risk management approach is in line with the three lines of defense model which delineates responsibilities and accountabilities for risk and control activities.

- **Operational Risk Ownership (The first line of defense):** The leaders at Group Companies own the risks and are responsible for identifying, recording, reporting, managing and monitoring them in line within designated risk tolerance levels. These leaders could be from Finance and/or Risk functions depending on the Group Company.
- **Risk Management and Compliance Oversight (The second line of defense):** Koç Holding Enterprise Risk Management – CFO/Finance Department, Risk Committee, Board of Directors challenges the first line of defense on effective risk management and provides advice and guidance to the underlying risk item.
- **Independent Audit Unit (The third line of defense):** Internal Audit Function assures the risk management approach and effective implementation of internal processes.

Risk Management

Risk categories and items are annually reviewed and updated considering the changes in Koç Holding's portfolio composition, regular feedback from the Group companies on industrial trends, regulatory changes and opinions disseminated by global international organizations (such as World Economic Forum's annual Global Risks Report) and/or surveys.

Risks identified through risk management processes are prioritized depending on their frequency and severity.

Koç Holding Enterprise Risk Management framework covers the material risks Koç Group companies are exposed to by delineating the frequency and severity of the underlying risk items, method of measurement of the impact including Earnings at Risk and Monte Carlo simulation.

It is ensured that the most important risks are within the responsibilities of business leaders at the company and/or Group level. In the management of risks, the Company has general response strategies that identify categories according to whether it will avoid, transfer, reduce or accept the risk. These response strategies are tailored to ensure that risks are within acceptable tolerance levels set by the Board of Directors.

As an integral part of its group-wide risk management culture, the Koç Group has a continuous focus on risk awareness and accountability by its employees. To continually reinforce this level of awareness, training and education programs are employed by Group companies covering regular and emerging risk categories.

For monitoring purposes, selected financial and sustainability risk items are embedded into key OKRs of the responsibles mentioned as part of the three lines of defense, measured by the performance management system of Koç Holding.

Risk Management

Top Priority Risks and Mitigation Actions

The major risks that Koç Holding is exposed to are classified under four main categories:

Risk	Description	Mitigation Actions
Financial Risks	Financial risks relate to a company's ability to meet its financial obligations and mitigate the effects of market volatility.	Variety of financial indicators, especially Net Financial Debt / EBITDA, Net Foreign Currency Position / Shareholders' Equity, current ratio and the maturity profile of financial liabilities are monitored, at the Company and Group level on a combined and consolidated basis, and are kept within particular limits.
Foreign Currency Risk	Koç Group companies keep their foreign currency risk exposure within certain limits.	As a foreign currency risk management tool, derivative transactions are used when needed. Loans that are designated as cash flow hedges and net investment hedges in foreign operations are excluded from the calculation of the amount subject to foreign currency risk exposure. Moreover, those assets that are reported in Turkish Lira on the balance sheet and, for which exchange rate changes can be reflected to their sales prices are designated as "natural hedge" and considered as "foreign currency denominated assets" while evaluating the foreign currency risk exposure.
Liquidity Risk	Management of short-term liquidity of Group companies.	The Koç Group continues to diversify its funding sources, increase the average duration of its financial liabilities, maintain a sufficient level of cash and cash equivalents and sustain the current ratio above a certain limit in case of an imminent cash need.
Credit Risk	Management of counterparty creditworthiness risk.	The Company mitigates this risk by conducting credit analysis, setting credit limits, trade receivables insurances and obtaining the maximum degree of guarantee. In addition, with the "E-Risk Commercial Risk Application", every effort is taken to ensure that the risk of commercial receivables arising from the Group's operations is followed up centrally.
Interest Rate Risk	Management of the level/volatility and fixed/floating nature of interest rate risk.	The Koç Group implements asset liability management and employs certain derivative financial instruments when necessary.
Commodity Price Risk	Management of the level/volatility of commodity prices.	The Company accepts commodity price risk where they are part of its core business and avoid or reduce exposure where possible through various hedging instruments.

Risk Management

Risk	Description	Mitigation Actions
Strategic Risks	Risks related to social and environmental sustainability, regulations, consumer demand, technologies and innovation	*Please see below.*

Sustainability Risks	Environmental and social risks related to Company's products, services and operations Results of the materiality analysis, which are renewed regularly every 3 years, are integrated into the risk management process. According to the results of the 2023 materiality analysis, low-carbon transition, water management, and talent management were determined as the three top priority issues.	Environmental sustainability-related risks and opportunities are monitored and managed under the Carbon Transition Program. Core focus areas and mitigation actions include:
		• **Climate:** Renewable energy investments, electrification, energy efficiency
		• **Water Stewardship:** Water efficiency, recycling/reusing water
		• **Waste:** Minimizing waste at source, recycling/recovering
		• **Product Stewardship:** Integrating sustainability into all stages of product lifecycle
		• **Biodiversity:** Risk and dependencies analysis
		• **Supplier engagement:** Integration of ESG into the supply chain
		
		Main mitigation actions to manage talent include the following:
		• Attracting the best talent, and developing talent resources via:
		  • Internship programs,
		  • Investing in training & development programs at all levels
		• Retaining talent via:
		  • Structured and elaborative succession planning
		  • Rotation opportunities across the Group
		  • Providing a flexible, diverse and inclusive work environment
		• Maintaining our reputation as a Top Employer
		  • For more details, please see "**Human Resources Risk Management**"

Other Strategic Risks	Risks related to the demand for the Company's products and services, market regulations as well as factors that affect market share such as competition, technological changes, and consumer trends and product innovation.	The most effective way to reduce risks defined to revenues is to diversify markets sectorally and geographically. As a long-term risk management strategy, Koç Holding is increasing both its sectoral and geographical diversification. In the short term, macroeconomic and sector specific developments are monitored centrally by the President of each group. Koç Holding's strong presence and diversified business lines in the national economy enables it to recognize market changes early and take rapid and coordinated measures.

Risk Management

Risk	Description	Mitigation Actions
Operational Risks	Cyber risks and other risks that may affect business continuity	*Please see below.*
Cyber Risks	Management of risk of breach of data integrity in the technology and infrastructure where data are stored, transferred or processed, failure to ensure business continuity and data leaks. Potential risks are identified in advance by way of cyber threat reports and the risk is transferred through cyber risk insurance that covers the Koç Group companies.	• Establishing common cyber security standards applicable across the Koç Group • Creating risk corrective controls • Triggering the incident response process in case of cyber incidents. Cyber risks are presented quarterly to senior management and discussed within these meetings so that they can provide the necessary support and guidance. Also, cyber risk management process is followed up by regular reporting and auditing functions. Details on cyber risks can be found in **Digital Transformation Program** section.
Operational Risks	Incidents that affect the Company's operations such as earthquakes, fires and environmental accidents, as well as the integrity of its internal systems and processes.	Insurable risks are frequently re-assessed and transferred out of the Group based on cost-benefit analysis. The risk and fraud audit of financial and operational processes are periodically performed at Koç Group companies.
Compliance and Legal Risks	Management of compliance and legal risks. There are Compliance teams have been assigned at the Group companies for analyzing compliance risks with a systematic approach, and various processes including third-party controls and sanction list screenings were introduced.	There are six main risk headings under the Koç Holding Compliance Program: competition law, protection of data privacy, human rights violations, laundering proceeds from crime, international sanctions and export controls, and anti-bribery and anti-corruption. Koç Holding has developed various systems against potential legal and compliance risks for creating a common database and early warning purposes. These include: • Intellectual property rights management program • policies for the prevention and early detection of risks and for duly responding to the risks that materialize • commencement of systematic compliance risk analyses served to reinforce identification and prevention mechanisms for potential compliance risks • The Ethics Hotline, which is developed for establishing violations of the legislation in force, Code of Ethics and other compliance policies, is open for use by, first and foremost, all the Koç Group employees, as well as the Koç Group business partners and all the Koç Group stakeholders all over the world • legal compliance test and practices under the Compliance program

Risk Management

Emerging Risks:

The risks that we see as emerging in the upcoming terms can be summarized as follows:

Description and Impact	Mitigation Actions
Unintended Consequences of AI-Driven Digital Transformation **Description:** While artificial intelligence (AI) offers significant potential for innovation and operational efficiency, it also introduces complex and systemic risks that are difficult to fully anticipate or control. As Koç Holding intensifies the adoption of AI across its operations ranging from manufacturing, automation and energy optimization to digital finance, smart consumer and mobility services, the scope of AI-related risks expands beyond algorithmic performance. This risk is particularly relevant given Koç Holding's long-term commitment to twin transition, reflected in its existing four Lighthouse factories and its vision to further scale smart technologies. Among the most emerging concerns are vulnerabilities related to intellectual property misuse, data breaches, and the improper or unregulated use of AI-generated content. Moreover, reliance on third-party data for model training exposes companies to potential leaks of confidential information and inadvertent replication of proprietary content. These issues are magnified by the fast-evolving global regulatory environment. **Impact:** Koç Holding's operations in highly digitalized and heavily regulated sectors such as consumer durables, automotive, energy, and finance increase its reliance on artificial intelligence (AI) technologies. This growing dependence exposes the Holding to multi-layered operational, strategic, and reputational risks. Threats such as AI-generated phishing campaigns, automated malware propagation, and deepfake-based social engineering represent rapidly evolving risks with high adaptability that can bypass traditional security measures. These threats have the potential to impact not only information security, but also customer trust, brand reputation, and regulatory compliance. In addition, technical risks specific to AI systems—including prompt injection, hallucinations, adversarial attacks, model drift, and model context protocol (MCP) vulnerabilities—must be addressed as a priority within the risk management framework. In critical infrastructure sectors such as banking and energy, AI-powered decision support systems are transforming areas such as personal data processing, credit allocation, and energy distribution optimization. This transformation necessitates full compliance with national and international regulations (e.g., KVKK, GDPR, and energy market regulations) and brings key issues such as algorithmic transparency, accountability, and ethical use to the forefront.	The **sustainability, security, and ethical governance of artificial intelligence (AI) systems** within Koç Holding have become not only a technical necessity, but also a **strategic priority** in terms of corporate risk management, stakeholder trust, and long-term value creation. To enhance organizational resilience against the **multifaceted and evolving threat landscape posed by AI**, Koç Holding continuously strengthens its cybersecurity ecosystem and systematically integrates **AI-powered, risk-focused, and sustainable solutions.** These solutions are designed not only to address traditional threats, but also to mitigate AI-specific technical risks such as **prompt injection, hallucinations, adversarial attacks, model drift, and model context protocol (MCP) vulnerabilities**. Cyber risks are categorized under **operational risks** within Koç Holding's corporate risk management structure and are addressed with a **systematic and pragmatic approach** across the organization. In this context, risks arising from AI are also classified as cyber risks due to their potential impacts and are managed under the same methodology. This methodology, mandatory for all Group Companies, ensures that cybersecurity risks are assessed independently of individual company or IT-specific contexts and are reported to senior management **four times a year.** Moreover, in response to the increasing adoption of AI across the Group, the **first version of the Koç Group Artificial Intelligence Standard** has been published. This standard addresses **AI security from both governance and operational technical control perspectives** and has been established to ensure the secure use of AI products and applications, minimize cyber risks that may arise through or from these systems, and set requirements for current and future security needs.

Risk Management

Description and Impact	Mitigation Actions
Slower than expected growth of low emission technology **Description:** The shift to low-emission technologies such as green hydrogen, or circular production infrastructure is progressing slower than anticipated due to high upfront investment costs, limited infrastructure, and regulatory uncertainty. As policy pressures increase and carbon-intensive processes become less viable, the gap between technological readiness and financial feasibility poses a growing risk. This includes the risk of delayed access to viable solutions and dependency on outdated technologies. **Impact:** For Koç Holding companies operating in energy, automotive, and consumer durables sectors, this risk may hinder decarbonization strategies or increase capital expenditure requirements. Besides, if lower-emission technologies remain financially or technically not feasible, companies may fall behind in complying with international frameworks such as EU Taxonomy and lose competitiveness in export markets. Long-term planning, particularly for R&D, manufacturing transitions, and energy infrastructure investments, may need to be revised.	Koç Holding Venture Capital Investment works in coordination with the venture capital firms established by Group Companies. The venture capital firms established by Group Companies including Tüpraş Ventures and Driventure (by Ford Otosan) seek to invest and/or establish partnerships with the start-ups that focus on low-carbon technologies to help realize the emission reduction pathways. For instance, some of the firms that are included in Tüpraş Ventures's investment portfolio include: Iongenics, which develops energy efficient, safe and modular systems for green hydrogen production and Verdagy, which works on anion exchange membrane (AEM) technology that aims to overcome the technical disadvantages of existing electrolysers. Koç University has established the Koç University Hydrogen Technologies Center (KUHyTech), dedicated to research, development, and commercialization of green hydrogen production, storage, transportation, and utilization. The center was established with contributions from Koç Group energy and manufacturing companies Aygaz, Ford Otosan, Opet, Otokar, and Tüpraş.

Risk Management

Description and Impact	Mitigation Actions
Critical Raw Materials **Description:** As the global transition towards clean energy, electric vehicles, and energy storage systems accelerates, access to critical raw materials such as lithium, cobalt, nickel, rare earths, and copper has become more important. In response, global competition has intensified. According to IEA, China accounts for over 70% of global battery cell production capacity and 90% of cathode material production. Therefore, there is a dependence on Chinese supply chains. Also regulatory scrutiny on battery supply chains is increasing. The EU is tightening controls and due diligence obligations under frameworks such as the EU Critical Raw Materials Act, the new Battery Regulation and the Corporate Sustainability Due Diligence Directive (CSDDD). Regions where these critical minerals are sourced from include conflict zones such as Africa, Southeast Asia and geopolitical conflicts such as the war in Ukraine and the unrest in the Middle East contribute to the overall instability. **Impact:** The increasing geopolitical tensions and competition for strategic raw materials present a potential emerging risk to Koç Holding's long-term transformation agenda. For Koç Group, which operates in energy, automotive and consumer durables sectors, this emerging risk could negatively impact the availability and pricing of strategic inputs (batteries, electronic components), long-term production planning and global expansion strategies. It creates supply chain volatility, particularly for Ford Otosan, which invests in battery electric vehicle production; and Arçelik, which depends on stable access to electronic components. . Failure to comply with upcoming regulations may lead to restricted market access, legal liabilities, or reputational harm, particularly for automotive and consumer durables sectors within the Group. Enhanced ESG integration in procurement may be needed.	Koç Holding begun to address these risks through group-wide and company-specific actions. As part of its Supply Chain Sustainability Initiative, Koç Holding aims to streamline the Group Companies with regards to supplier onboarding, retention, termination, assessment and development processes as well as conflict minerals procurement guidelines. Companies are working on diversifying their supplier base. To reduce the Group's dependence on virgin raw materials, relevant Companies work on increasing their circularity through recycling and circular product designs. This is particularly relevant in the context of battery materials, where second-life applications and end-of-life recovery are being explored. Arçelik, Ford Otosan and Tofaş have adopted Conflict Minerals Policies aligned with OECD Due Diligence Guidance and EU requirements, aiming to eliminate sourcing from conflict-affected and high-risk areas.

Materiality Assessment

Materiality assessment ensures that our sustainability strategy remains in line with stakeholder expectations and external trends. The material issues identified in the assessment form the basis of the "Lead. Together" strategy and they are regularly updated in line with stakeholder expectations, global trends, and sectoral dynamics. Koç Holding updates its materiality assessment every 2 to 3 years.

The materiality assessment was conducted in 2023 by adopting the double materiality approach. This approach allows for a comprehensive assessment that could impact Koç Holding's financial performance as well as its broader societal, environmental, and economic impacts. Koç Holding 2023 materiality analysis has been assured by KPMG in accordance with AA1000AS principles.

Identifying the long list of topics

In the first stage of the analysis, a long list of 25 topics was identified by analyzing sustainability initiatives, standards, peers, and global trends. In line with the double materiality approach, surveys and online interviews were organized with internal and external stakeholders to identify the issues where Koç Holding has the highest impact on society, environment, and economy, and those impact Koç Holding the most.

	Environment	Social	Economic and Corporate Governance
Issues	• Transition to a low-carbon economy and clean technology • Renewable energy • Water Management • Waste Management • Biodiversity and Conservation • Climate-related trade dynamics (EU Green Deal)	• Equal opportunities, diversity and inclusion • Talent attraction, development and retention • Employee health, wellbeing & safety • Human rights and labor standards • Short and long term support following natural disasters • Socio-economic contribution	• Customers and distributor resilience • Innovation culture & intrapreneurship • Open innovation & partnerships • R&D capacity • IoT & digitalization of operations • Data analytics & AI • Cyber security and data privacy • Resilience and business continuity • Ethics and compliance • Corporate governance • Sustainable Investment approach • Accountability & Transparency • Sustainable Products

Materiality Assessment

Identifying the Stakeholders

During this process, a wide range of stakeholders including employees, suppliers, customers, distributors, international organizations, academia, public sector, industry associations, NGOs, and consultants were engaged. The selected group of employees consisted of middle-level managers and specialists working in holding and group companies by ensuring gender equality. A total of 266 responses were collected from a total of 11 stakeholder groups.

Identifying the impacts on Society, Economy, and Environment

While identifying Koç Holding's impacts on society, economy and environment; stakeholder views, external trends and impact assessment have been considered.

- Stakeholders were asked to prioritize the topics in the long list and evaluate the positive or negative impacts of the topics they identified as material.
- As a part of the impact assessment, each issue was analyzed based on the positive and/or negative effects, the magnitude, scope, and likelihood of the impact by taking into account stakeholder opinions.
- As a part of external trend analysis, the United Nations Sustainable Development Goals (SDGs), World Economic Forum Global Risks Report (WEF), MSCI, S&P Global Corporate Sustainability Assessment (CSA), European Green Deal, Carbon Disclosure Project (CDP), Task Force on Climate-related Financial Disclosures (TCFD), Task Force on Nature-related Financial Disclosures (TNFD), Türkiye's Updated First National Determined Contribution, and Twelfth Development Plan were reviewed.

Stakeholder analysis, external trend analysis, and impact assessment were assigned varying weights and consolidated with stakeholder analysis having the highest weight.

Identifying the material issues' business impacts on Koç Holding

To identify the material issues' business impacts on Koç Holding, the opinions of executives and investors have been received. Feedback from 82 different executives from Holding and Group Companies has been collected via an online survey whereas in-depth interviews with investors have been conducted.

Materiality Assessment

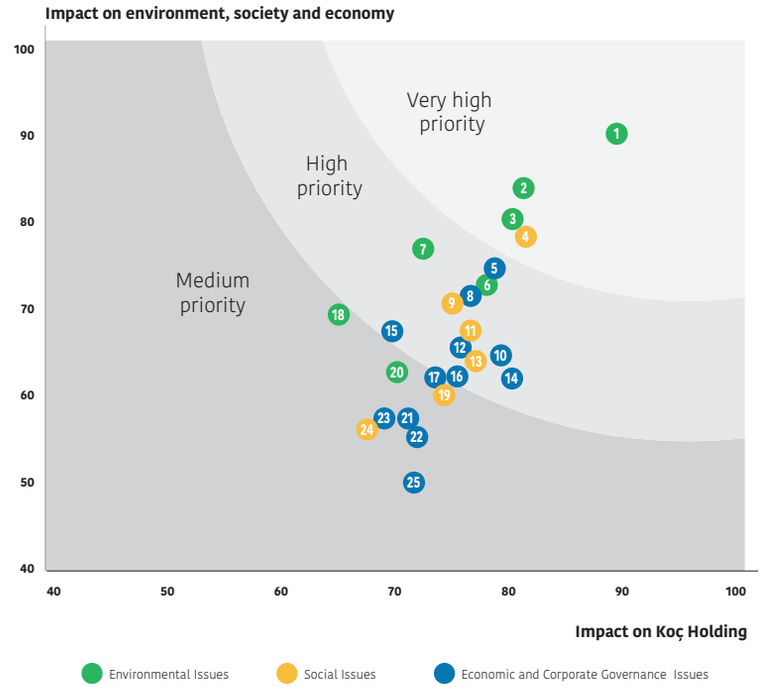
Results of the Assessment

The outputs of the analysis were reviewed and finalized in a meeting with senior executives, presented to and approved by the CEO as the final step. The results of the assessment are integrated into the **Risk Management** process. While four topics were identified as very high priority, high and medium-priority topics were also grouped.

- The importance of **climate-related issues** has increased, with the top three topics being climate-related. **Renewable energy,** previously addressed under the **transition to a low-carbon economy**, was separately included this year and became one of the high material topics.
- **Water stewardship** emerged as a new issue and became one of the high material topics.
- Following the environmental topics, under social issues, **talent attraction, development and retention emerged as a very high priority topic**, with a rise in ranking compared to the previous materiality analysis.
- Top management has prioritized topics related to digital transformation, ie **data analytics and artificial intelligence, cybersecurity, and data security**.
- **Human rights** and **occupational health and safety** are prioritized by both internal and external stakeholders.
- **Equal opportunity, diversity, and inclusion emerged** as the one of the top material issues among external stakeholder groups including international organizations, government, academia, industry associations, NGOs, and consultants.
- Suppliers have indicated their readiness for transformation by prioritizing **sustainable supply chain** issues. Another stakeholder group that prioritizes sustainable supply chain is investors.
- **Corporate Governance** has a relatively higher priority by internal stakeholders and investors.
- **Ethics and compliance** emerged as one of the high-priority topics, prioritized more by investors, industry associations, NGOs, consultants and suppliers.

Materiality Assessment

Materiality Matrix



Very high Priority

1 Transition to a low-carbon economy and clean technology
2 Water management
3 Renewable energy
4 Talent attraction, development and retention

High Priority

5 Data analytics and artificial intelligence
6 Sustainable products
7 Climate-related trade dynamics (Green Deal)
8 Cyber security and data security
9 Human rights and labor standards
10 Ethics and compliance
11 Equal opportunity, diversity and inclusion
12 R&D capacity
13 Employee health, wellbeing & safety
14 Corporate governance

Medium Priority

15 Internet of Things (IoT) and digitalization of operations
16 Accountability and transparency
17 Sustainable supply chain management
18 Biodiversity and conversation
19 Socio-economic contribution
20 Waste management
21 Innovation culture and intrapreneurship
22 Resilience and business continuity
23 Open innovation and partnerships
24 Short-and long-term support following natural disasters
25 Customer and distributor resilience

Materiality Assessment Impact & Dependency

		Impact on Value Chain			Impact			Dependency
	Material Topics	Upstream	Operations	Downstream	Type	Description	Actual / Potential	Description
1	Transition to a low-carbon economy and clean technology	●	●	●	+	Emission reductions through energy efficiency and technology upgrades	Actual, Potential	Access to affordable clean technologies, feasibility of low-carbon technologies, skilled workforce, regulatory and financial incentives to ensure a just and efficient transition
					+	'Improved long-term competitiveness and alignment with climate policy	Potential	
2	Water management	●	●	Arçelik and TürkTraktör only	+	Improved operational efficiency, and enhanced community trust	Actual, Potential	Business continuity
					−	Water withdrawal for operations	Actual	
3	Renewable energy	●	●		+	Reduced carbon footprint	Actual, Potential	National grid infrastructure, renewable energy markets, and supportive energy policy frameworks and incentives
						Enhanced energy resilience and cost savings	Actual, Potential	
4	Talent attraction, development and retention		●		+	Increased innovation and productivity, brand loyalty	Actual, Potential	Access to qualified labor pools and adaptation to evolving workforce expectations
						Future fit workforce	Actual, Potential	
5	Data analytics and artificial intelligence		●		+	Enhanced decision-making and operational efficiency	Actual, Potential	Access to reliable digital infrastructure, skilled data professionals, and secure data governance frameworks
					+	New business models and innovation potential through predictive analytics	Actual, Potential	
					−	High consumption of energy and water	Potential	
6	Sustainable products	●	●	●	+	Reduced environmental footprint throughout product lifecycle	Actual	Sustainable sourcing & design practices, market demand and acceptance and partnerships
					+	Competitive advantage and market growth	Potential	
7	Climate-related trade dynamics (Green Deal)	●	●	●	+	Framework for sustainability for exports to and operations in EU	Actual	Alignment with EU Green Deal policies
					−	Increased reporting and financial burden	Actual	
					+	Improved portfolio for low-carbon products within the EU market	Potential	
					−	Competitiveness risk	Potential	
8	Cyber security and data security	●	●	●	+	Protection of business continuity and stakeholder trust through secure systems	Actual, Potential	Robust IT infrastructure, employee awareness, and secure digital ecosystems
					−	Strategic, operational, financial, and reputational losses due to cyber risks	Actual, Potential	
9	Human rights and labor standards	●	●		+	Enhanced employee satisfaction and brand reputation through fair labor practices	Actual, Potential	n.a.
					−	Legal and reputational risks in case of non-compliance	Potential	
10	Ethics and compliance	●	●	●	+	Enhanced stakeholder trust and long-term value creation	Actual, Potential	n.a.
					−	Legal and reputational risks due to non-compliance	Potential	
11	Equal opportunity, diversity and inclusion	●	●		+	Improved innovation and employee engagement through diverse workforce	Actual	Management commitment
						Improved gender equality and opportunity for women in business and STEM field	Actual, Potential	
12	R&D capacity		●		+	Development of innovative solutions and competitive advantage	Actual	Availability of skilled talent, financing, and intellectual capital
						Acceleration of low-carbon and circular economy transitions	Potential	
13	Employee health, wellbeing & safety	●	●		+	Higher employee loyalty	Actual, Potential	Occupational health & safety systems and risk prevention measures
					−	Health and safety incidents	Actual, Potential	

Materiality Assessment Impact & Dependency

		Impact on Value Chain			Impact			Dependency
	Material Topics	Upstream	Operations	Downstream	Type	Description	Actual / Potential	Description
14	Corporate governance	●	●		+	Transparent decision-making and improved investor confidence.	Potential	n.a.
15	Internet of Things (IoT) and digitalization of operations	●	●	●	+	Improved operational and use of source efficiency and predictive maintenance	Actual	Digital infrastructure, cybersecurity readiness, and skilled workforce
					+	Enabler of decarbonization and supply chain optimization	Potential	
16	Accountability and transparency	●	●	●	+	Increased stakeholder trust and regulatory compliance	Actual	Data quality, assurance processes, and robust disclosure frameworks
17	Sustainable supply chain management	●			+	Better mitigation of ESG risks in the supply chain	Actual, Potential	Supplier performance, traceability systems, and regulatory alignment.
					+	Reduced Scope 3 Cat 1 emissions	Potential	
18	Biodiversity and conservation	●	●		+	Prevention and/or reduction of impact on ecosystems	Actual, Potential	Ecosystem services like soil health, pollination, and water regulation
					−	Habitat loss from operations or sourcing activities	Potential	
19	Socio-economic contribution	●	●	●	+	Job creation and tax contributions	Actual	Economic stability and enabling regulatory environments
					+	Strengthened social license to operate	Actual, Potential	
20	Waste management		●	●	+	Improved waste and energy recovery	Actual	Robust infrastructure for waste recovery and regulatory frameworks
					+	Improved circularity	Actual, Potential	
					−	Environmental degradation from improper disposal	Potential	
21	Innovation culture and intrapreneurship		●		+	Improved adaptability and business resilience	Actual	Resource allocation
					+	Continuous pipeline of sustainability-focused solutions	Potential	
22	Resilience and business continuity	●	●	●	+	Reduced downtime and stakeholder confidence during disruptions	Actual	Scenario planning, infrastructure readiness, and crisis response capacity
23	Open innovation and partnerships	●	●	●	+	External knowledge and innovation synergies	Actual	Collaboration platforms, partner reliability, and intellectual property safeguards
					+	Improved stakeholder relationships	Actual, Potential	
					+	Faster and broader sustainability solutions	Potential	
24	Short- and long-term support following natural disasters	●	●	●	+	Contribution to post-disaster recovery, enhanced inter- and intra-community relations	Actual	Emergency preparedness systems, inter-stakeholder coordination
					−	Operational disruptions and increased recovery cost and resource need	Potential	
25	Customer and distributor resilience			●	+	Increased capacity in market access and long-term demand	Actual, Potential	Adaptive capacity of distribution partners and customer engagement mechanisms
					+	Improved operational and financial stability due to long-term business strategy and support		

Materiality Assessment

	Transition to a low-carbon economy and clean technologies	Water Stewardship	Renewable energy	Talent attraction, development and retention
Business Case and Impact on Koç Holding	Oil and gas sector is carbon-intensive and the transformation of the sector is of utmost importance for a 2050 net-zero emission economy. Similarly, we see the accelerating transformation of other sectors such as automotive and consumer durables. There will be no sale of new petrol and diesel cars from 2035 in European Union and customers' preference towards low-carbon products is changing the market dynamics. For companies lagging in this transformation, risks such as market loss and stranded assets could be significant in the long term.	Due to climate change, there are increasing risks associated with water, making it a topic of critical concern for both societies and businesses. According to the Koç Group climate-related risk and opportunity analysis in which **159 sites belonging to 11 Group companies** were examined, water stress was identified as the most severe physical risk in the context of a moderate climate scenario.	The transition to a low-carbon economy requires a significant increase in renewable energy. Investment in renewable energy presents new business opportunities for Koç Holding and is crucial in reducing Scope 2 emissions. A large part of the Group companies are industrial and energy intensive and renewable energy can also help them hedge the risk against future price fluctuations by ensuring energy security.	Talent attraction, development and retention is highly crucial to keep up with new trends, innovative product development and achieving sustainability targets. Effective talent management is vital to sustain the industrial competitiveness of Koç Group. Attracting and retaining the right talent also plays a key role in developing and implementing strategies on the material topics for Koç Holding such as digital transformation or transition to low-carbon economy.
The impact on the environment, society and the economy	Koç Group's scope 1 and market based scope 2 greenhouse gas emissions for the Companies within the scope of Carbon Transition Program was **6.5 million tCO_2e in 2024**. Transitioning to a low-carbon economy is the most material issue pointed out by external stakeholders and it is expected by the Group to contribute to emission reduction throughout its entire value chain and develop solutions for a low-carbon economy	In 2024, we conducted the basin based risk assessment using WRI's Aqueduct tool and WWF Water Risk Filter. The scope of the assessment included **84 facilities of 9 companies, with 39 located in Turkey and 15 of them located outside Turkey**. The assessment was conducted for 2030 and 2050 projections for optimistic, usual, pessimistic scenarios. As a result, it was found out **42% of global operations and 67%** of Turkey operations lie in high and extremely high stress regions. This is important for all stakeholders including the environment and the society and may have a substantial impact on the economy.	The increasing energy demand poses a risk of accelerating climate change if the demand is not met with renewable sources. Therefore, transitioning to renewable energy has a significant role in tackling climate change. This will enable mitigating the energy intensity of Koç Holding and its impacts on climate and the impacts of its renewable energy customers.	Koç Group employs **130,000** people with its broad presence in Turkey and abroad. Therefore, given its large ecosystem, Koç Group is a large driving force for the economy. Focusing on talents is an important enabler in becoming an innovative and more sustainable company. Therefore, attracting and retaining the right talent have a positive impact on environment and society. Being able to attract and retain Generation Z employees is an indirect driver for environmental and social sustainability, considering their changing expectations from companies.

Materiality Assessment

	Transition to a low-carbon economy and clean technologies	Water Stewardship	Renewable energy	Talent attraction, development and retention
Impacted areas/ stakeholders	Environment and Society	Environment and Society	Environment and Society	Employees
Impact on the value chain	Whole value chain	Whole Value Chain	Operations & products/ services	Operations
Strategy	Koç Holding aims to be carbon neutral by 2050 and to achieve this goal Carbon Transition Program has been launched across the Group. Identifying risks, setting targets and creating roadmaps are among the objectives of the program. The companies have their sectoral pathways. Koç Holding's energy sector companies focus on clean energy transition and alternative fuels. The focus investment areas of Tüpraş in its Strategic Transition Plan are; biofuels (Sustainable Aviation Fuel - SAF), zero-carbon electricity, green hydrogen and sustainable refining. Koç Group Companies in the automotive sector focus on their products and transformation of value chains. The main focus areas involve; electric vehicles, vehicles with alternative fuels and sustainable production. The finance sector is committed to mobilizing capital towards low-carbon initiatives and shift their portfolio towards clean energy investments. In the consumer durables sector, the focus is on the reduction of product emissions during their use phase and transformation of value chains. In order to achieve this goal, these companies focus on developing energy-efficient products. For more information, please see **"Transition Pathways"**	Our water management strategy revolves around the following: • Conducting Water Risk Assessments • Setting Targets and Increasing Water Efficiency, Reuse, and Recycling. • Using technology as a lever • Engaging and Collaborating with Stakeholders For more information, please see **"Water Stewardship"**	Koç Group Company Entek continues its investments in renewable energy (hydropower, wind, solar) with the target to become one of the leading companies in Turkey in renewable energy. Aligned with the Koç Group's commitment to reducing carbon footprint, Entek launched the Group-wide Renewable Energy Project which focuses on implementing solar energy investments across the Group. The aim is to increase the proportion of renewable energy in the Group's overall electricity self-consumption.	At Koç Group we are creating a flexible, agile, dynamic, collaborative and entrepreneurial work environment. Koç Group aims to maintain its reputation as the employer of choice, in order to attract the best talent. Please see **Talent Attraction** chapter for recognitions as the leading employer. A sustainable talent management strategy mitigates various business risks by emboldening resilience across the organization. Developing and retaining the talent within the organization is crucial for sustainable talent management. Detailed under "Empower People. Together", **Talent Development and Retention**, we offer extended learning opportunities and world-class leadership programs; provide employees with career opportunities and run a well-structured succession planning process.

Materiality Assessment

	Transition to a low-carbon economy and clean technologies	Water Stewardship	Renewable energy	Talent attraction, development and retention
Executive Compensation	CEO, CFO, Corporate Communications and External Affairs Director, Human Resources Director, and Sustainability Coordinator of Koç Holding have sustainability-related objectives in their Objective Key Result (OKR) scorecards. The OKR system is a performance tool that sets, communicates, and monitors goals in an organization so that all employees work together in one direction. The results at the end of the year make up the final performance of the individual from which base salary raises and bonus calculations are made. The performance of our employees is valued holistically by taking all objectives into account, and consequently, the percentage of monetary incentives linked to the management of environmental issues cannot be disclosed separately. In this respect, for 2024, considering the entire senior management of Koç Holding, 8% of all KRs are related to climate concerns, whereas the figure for ESG issues is 9%.			
Related SDGs	SDG 12: Responsible Consumption and Production SDG 13: Climate Action	SDG6: Clean Water and Sanitation SDG 12: Responsible Consumption and Production SDG 15: Life On Land	SDG 7: Affordable and Clean Energy SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production	SDG 5: Gender Equality SDG 8: Decent Work and Economic Growth SDG 10: Reduced Inequalities
Targets	Koç Holding aims to be carbon neutral by 2050 and has a target of reducing their Scope 1 and Scope 2 greenhouse gas emissions by 20% in 2030 and %49 in 2040, compared to 2017. In the automotive sector, Ford Otosan aims to sell only zero-emission passenger and light/medium commercial vehicles by 2035, and zero-emission heavy-duty vehicles by 2040. Koç Group Companies Arçelik and Ford Otosan have received approval from the Science Based Targets initiative (SBTi)—one of the world's most reputable sustainability organizations—for their near-term and net-zero targets aligned with the 1.5°C scenario. Yapı Kredi has also received SBTi approval for its emission reduction targets, becoming the first large-scale private bank in Turkey to obtain this validation. For more information, please refer to the section "Climate-Related Metrics and Targets."	Ford Otosan commits to reduce fresh water consumption per vehicle in Turkey facilities by 40% by 2030 (Base year: 2019) Arçelik commits to reduce water withdrawal per product by 25% in all manufacturing facilities (from 2024 baseline) increase the water recycling and reuse ratio to 35% in all manufacturing facilities* by 2040. **including JVs*	A total of 542 MW of projects are in place across the Group, including 340 MW under Entek Selfie. Once these projects are completed and operating at full capacity, they are expected to meet 33% of the total energy consumption of our companies. Arçelik aims to reach 100 MWp of renewable energy installed capacity by 2030. They have a target of using 100% green electricity usage in all manufacturing facilities. Arçelik commits to reduce energy consumption per product by 15% in all manufacturing facilities by 2030 (from 2024 baseline). In line with its 2050 net-zero commitment under the Science Based Targets initiative (SBTi), Ford Otosan sources 100% of its electricity from renewable energy. At Yeniköy and Eskişehir Plants, the company plans to supply more than 50% of the facility's electricity consumption from solar energy starting in 2026.	Koç Group is committed to maintaining an Employee Engagement Score higher than the average of Turkey – however we are also benchmarking our scores with European and global averages - . Similarly, in terms of involuntary turnover (turnover that is not desired by the company), our target is to always remain lower compared to country average.

Materiality Assessment

	Transition to a low-carbon economy and clean technologies	Water Stewardship	Renewable energy	Talent attraction, development and retention
Performance	In line with our 2050 net-zero target, Scope 1 and Scope 2 greenhouse gas (GHG) emissions totaled 6.5 million tCO_2e in 2024. Koç Holding's total Scope 1 and Scope 2 emissions decreased by 3.2% year-over-year. Ongoing emission reduction and energy efficiency initiatives across Group companies have resulted in a 17% reduction in emissions compared to the 2017 baseline.	As a result of water management practices, total water withdrawal in 2024 decreased by 6% compared to 2023. As Koç Holding, we achieved a leadership status by receiving an A- rating in the CDP Water Security Program, the world's largest environmental disclosure platform. Among our Group companies, Arçelik was included in the CDP Global A List, gaining global recognition for its sustainable water management practices. Yapı Kredi also reinforced its leadership in water stewardship with an A- rating in the CDP Water Security Program. For more information, please refer to the "**Water Stewardship**" section.	In 2024, our net renewable energy consumption increased by 27% compared to the previous year, reaching 3,569,111 GJ. Through energy efficiency projects, we achieved energy savings of 2.18 million GJ and 218 thousand tons of CO_2e emissions reductions.	Koç Group has consistently achieved a lower undesired turnover rate compared to the national average in Turkey.

Making It Happen with Stakeholders

Koç Group has operations in different sectors such as energy, automotive, consumer durables, finance, retail, food and information technologies which have widespread outreach throughout the society. Partnerships with external stakeholders is crucial for progress and our stakeholders expect us to lead by example. When we grow, others grow. When we innovate for the better, others follow. When we create more added value and respond to changes in technology, business and society, we start a ripple effect that extends out to all our industries, our business partners and the wider community.

Stakeholder outreach and integration is a key driver for group companies' success. We assess and evaluate risks and opportunities and show leadership in the sustainability transformation of industries and the society. Environmental, social and governance (ESG) factors have an increasing impact on investor decisions and stakeholder perceptions.

We created a comprehensive approach to identify expectations and opinions of our stakeholders on diverse topics, including environment, human and employee rights, transparency and ethics, innovation, diversity and inclusion in order to bring stakeholder perspective into our sustainability strategy. We aim to meet the expectations and interests of shareholders, investors, employees, group companies, distributors, customers, civil society organizations, public institutions, industry associations and universities in a transparent and equal way.

Each Group company engages with stakeholders at different levels which provide essential input for us in creating sustainability strategies and practices. Stakeholder engagement is also tracked via management performance targets.

The way we engage with stakeholders

We engage with stakeholders on an ongoing basis and aim to establish continued trust-based dialogue. There are three levels of stakeholder engagement regarding sustainability issues at Koç Group companies which help us to improve our business and create added value for all stakeholders. The frequency of stakeholder communication depends on the nature, expectations and needs of the target audience.

1. **Supports:** This level of engagement includes supporting events aiming to increase awareness or capacity building. It covers one way and short-term engagement with stakeholders such as sponsorships, scholarships, and donations.
2. **Partnerships:** We believe that in order to achieve the SDGs, strong partnerships are necessary at all levels and between governments, the private sector and civil society. We work together with external stakeholder partners such as private and public sector, international organizations, non-governmental bodies, universities to manage common and material sustainability issues. We assess partnerships according to the potential to create value, enable further innovation, and foster creativity. This kind of two-way communication develops meaningful opportunities and results. Increasing partnerships with external stakeholders is an important source of innovation.
3. **Multi-stakeholder Initiatives:** Addressing and tackling complex environmental and social issues requires multi- stakeholder initiatives. In line of our sustainability leadership vision, our stakeholders expect us to trigger positive change by reaching out to the whole community. With this in mind, we are ever-present in local and international multi-stakeholder initiatives that gather different parties such as private and public sector, international organizations, non-governmental bodies and universities to address material topics in large scale.

Grow the business. Together

Grow the business. Together

At Koç Holding, we strive to create shared value and a positive impact on society and our stakeholders. Beyond our value chain, our unique business model and global presence enables us to deliver sustainable and profitable growth, and to achieve prosperity in society. Our innovation capability and digital transformation journey aligned with the requirements of the new digital world drives our ambition to lead in the sectors and countries that we operate.

The long-term partnerships and relationships, we build on a global scale, enable us to drive positive change and extend our influence. To grow together, we believe in leaving no one behind, and being inclusive is key in this pathway. At the same time, we are also aware that our planet has boundaries thus, we act and grow responsibly with our stakeholders while seizing opportunities to enable a low-carbon and inclusive economy.

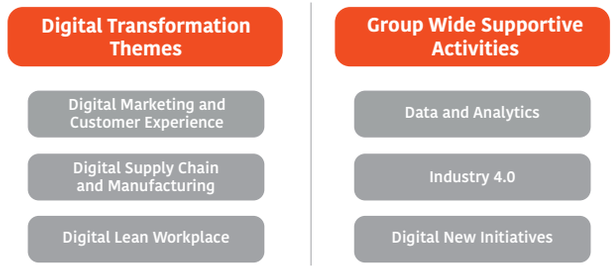
Digital Transformation Program

The Digital Transformation Program plays a significant role in achieving the successful business outcomes of Koç Group.

Digital technologies, tools, and methods are fully adopted and stand out as one of the most effective tools in strengthening its competitive position in line with a clear transformation agenda.

Initiated in 2016 and now in its ninth year, the Digital Transformation Program has played a critical role in the successful business outcomes achieved by Group companies. The program holds strategic importance for preparing for global competition conditions and anticipated changes. In this context, projects focused on improving customer experience, developing smart production processes, and enhancing operational efficiency are being implemented using contemporary technologies such as advanced data analytics, machine learning, artificial intelligence, natural language processing, and the Internet of Things..

Projects are being developed and implemented in strategic areas such as customer experience, smart production, and business efficiency using innovative technologies like advanced data analytics, machine learning, artificial intelligence, natural language processing, and the Internet of Things.



By the end of 2024, the number of projects exceeded **2,500**, with the majority successfully completed.

Digital Transformation Themes and Initiatives

Digital Marketing and Customer Experience

Our primary goal is to deeply analyze customer data from digital and physical environments to better understand them and provide products and services tailored to their needs and preferences at the right time and channel. As part of this process, offering a unique experience to customers is also among our objectives.

Digital Supply Chain and Manufacturing Operations

Approximately half of our community's companies operate in the manufacturing sector. These companies effectively use customer feedback, going beyond traditional automation and robotic technologies, thus having the potential for continuous improvements in product, service, and design processes. The companies involved in production aim to maximize current technological opportunities and also aim to elevate their suppliers to this advanced level.

Digital Lean Workplace

Streamlining non-manufacturing processes and facilitating employees' daily tasks with digital technologies enable them to focus on more value-added activities. This approach increases efficiency while also enhancing employee satisfaction, supporting the overall success of companies.

Digital Transformation Program

Group Wide Supportive Activities

Data and Analytics

Within the scope of the Digital Transformation Program, the intensive use of data analytics technology strengthens data-driven decision-making and business discipline. KoçDigital, established to accelerate the digital transformation of Koç Group, offers partnership solutions to both internal and external companies with its expert teams in areas such as data analytics, image processing, and the Internet of Things.

Industry 4.0

Koç Group's manufacturing companies are adopting Industry 4.0 technologies to enhance production efficiency and are working intensively to use IoT technologies more effectively in both domestic and international facilities. By the end of 2024, two out of three production facilities are managed in an integrated manner with IoT platforms. These efforts have transformed into globally exemplary applications. Four of our production centers have been included in the World Economic Forum's (WEF) "Global Lighthouse Network," which identifies world-leading manufacturing facilities in the field of Industry 4.0.

Generative AI

Koç Group employees have integrated generative AI technology into their business processes through the KoçGPT application, which distinguishes itself globally by providing services under a single GPT model across various sectors of Koç Group. KoçGPT offers functions tailored to individual user needs and provides customization options suitable for corporate requirements in areas such as security, speed, capacity, and data analysis performance.

In addition to KoçGPT, efforts are underway to use generative AI technology in various scenarios to improve daily business processes, increase operational efficiency, and accelerate digital transformation in our companies operating in different sectors. A significant portion of these efforts was completed in 2024, and with the acquired experience and knowledge accumulation, it is aimed that new projects will effectively utilize generative AI technology in daily business processes in 2025.

Technology & Innovation For Climate

Koç Holding believes in the synergy between digital and green transitions, adopting these two fundamental principles. This approach not only prepares Koç Group for future needs but also provides a competitive advantage. In line with Koç Holding's carbon neutrality goal, Koç Group companies leverage new technologies such as artificial intelligence, data analytics, robotics, the Internet of Things (IoT), and automation. For more information, you can review the "**Technology & Innovation For Climate**" section under the Carbon Transition Program.

Quantum Technology

Innovative technologies and innovation are regarded as the transformative force of Koç Group's growth vision, with pioneering applications being implemented globally. In this context, our community companies are addressing complex problems that are difficult to solve with traditional methods using quantum computing technology.

Yapı Kredi has developed a model that uses quantum computing technology in risk management analysis to predict within 7 seconds the impact of financial difficulties experienced by its corporate clients on other clients with whom they have commercial relationships.

Ford Otosan has integrated Quantum Computing technology into the body production line at its Gölcük Factory to manage the increasing production complexity of Ford Transit, for which it is the sole manufacturing hub worldwide. This technology optimizes the production sequence of vehicles with different features, reducing transition times and balancing workload. Both applications have been recognized by the World Economic Forum as pioneering projects in their respective sectors. Ford Otosan became **the first automotive manufacturer** globally to be accepted to the World Economic Forum's (WEF) Quantum Application Hub.

Digital Transformation Program

Cybersecurity

The digital world remains a dynamic frontier, with cyber risks escalating in scope and impact. The World Economic Forum's Global Risks Report 2025 identifies misinformation and disinformation as persistent short-term threats, while state-driven cyberattacks and AI-powered exploits rank among the most pressing concerns for businesses, governments, and societies over the next decade. The rise of artificial intelligence has intensified this landscape, enabling highly adaptive threats such as AI-generated phishing campaigns, automated malware propagation, and deepfake-driven social engineering, all of which challenge traditional defenses. As hybrid work models evolve and geopolitical tensions amplify cyberspace vulnerabilities, our cybersecurity ecosystem has responded by integrating AI-driven, resilience-focused solutions to detect, mitigate, and outpace these sophisticated adversities.

Koç Holding Cyber Risk Management has a systematic and realistic approach. This methodology, mandatory for all group companies, ensures cybersecurity risks are reported to top management four times a year, regardless of individual company or IT-specific risks. It comprises five key steps:

Risk Identification: We identify threats by collaborating with business units, focusing on hardware and software assets, ongoing projects, legal and regulatory obligations, and external vendors. This process ensures a comprehensive understanding of risks, guided by the principle: "You can't manage what you don't measure."

Risk Assessment: Risks are evaluated using three measures:

- Impact: Potential financial, operational, reputational, and regulatory consequences.
- Likelihood: Probability of occurrence.
- Control Effectiveness: The ability of existing controls to mitigate risks, enhancing traditional assessment models. These align with the Confidentiality, Integrity, and Availability (C.I.A.) principles applied to IT assets and processes.

Risk Prioritization and Acceptance: Risks are prioritized, determining which to accept and which require mitigation through security standards, projects, or IT security working groups.

Risk Mitigation: Targeted controls and projects are implemented to reduce or eliminate identified risks.

Monitoring and Reviewing: Continuous monitoring and regular reviews ensure effective implementation, address gaps, and adapt the program, keeping stakeholders informed.

This structured approach strengthens Koç Holding's cybersecurity framework, ensuring adaptability in an evolving threat landscape.

Digital Transformation Program

The Board of Directors supervises risk management processes, including cybersecurity risks of Koç Holding and group companies, via the Risk Management Committee currently chaired by Mr. Peter Martyr, an independent board member. The Committee is informed through detailed risk assessments at least four times a year. At the Holding level, the Koç Holding Information Security Committee, overseen by the Executive Management, designs the relevant information security processes, approves, and publishes the procedures and instructions in accordance with the information security standards and strategy set under the Information Security Policy. The CIO leads the Information Security Committee, which consists of the CIO, Information Security Manager, and IT Audit Manager. In case of an extraordinary agenda, participation of relevant departments such as Legal and Human Resources can be provided. Cyber risks are included in the CEO's and the GMs' Objectives and Key Results (OKR). The group's cybersecurity issues and risks are handled at monthly meetings of the Cyber Security Committee, led by the Holding Information Security Manager and consisting of the cybersecurity experts of group companies. An Operational technology (OT) security governance model with organizational structures, policies, and procedures is designed by the IT Security Committee for Koç Group Companies. The governance model closely covers all parties in the organization from across security, OT, as well as IT.

On a regular basis, the cybersecurity risks faced by our group companies are collectively assessed as a corporate risk card by Koç Holding IT, and the findings are reported to both the top management of the company and the Holding's senior leadership in a comprehensive manner.

We apply a realistic risk-based security management methodology to prevent cyber-attacks. Security policies, standards, and SANS CIS Security Controls are implemented into this methodology.

Additionally, internet-facing applications and systems of Koç Group companies are regularly and continuously monitored, including cyber threat intelligence, enabling the proactive identification and reporting of potential risks. These efforts are complemented by a cyber risk insurance policy covering Koç Group companies, facilitating effective risk transfer. Furthermore, by leveraging AI and automation more extensively, we are transforming our Security Operations Center (SOC) to monitor cyber risks more effectively and respond to threats more rapidly. We perform annual audits for each Group company based on globally recognized frameworks (COBIT, ISO27001, CIS Controls) and Koç Group IT Standards Audit, and maturity assessment results presented to the CEO and relevant committees. A cyber insurance policy is in place for Koç Group companies that include precautions for cyber threats.

A cybersecurity intelligence service is employed across the group for a comprehensive security approach. This service protects an organization's digital assets by identifying potential threats, prioritizing security measures, and enhancing situational awareness. It aids in incident response planning, employee training, and risk assessment while fostering collaboration with industry peers and ensuring compliance.

Efforts to mitigate risks stemming from the expanded use of cloud services and the evolving nature of cloud environments have progressed significantly. These initiatives that ara applied in 2024, include the integration of DevSecOps practices -such as secure coding and automated security within development pipelines- alongside enhanced backup strategies for cloud resources, optimized disaster recovery protocols tailored to the latest cloud architectures, and updated business continuity plans to ensure resilience in an increasingly dynamic digital landscape.

Digital Transformation Program

To prevent targeted phishing and fake email sending attacks, monthly simulations are conducted on training and awareness platforms, which are supported by educational programs. Email filtering systems are being tightened to ensure that malicious emails are detected and blocked before they reach the corporate network. In order to prevent cyberattacks conducted through supplier channels, risk assessments, compliance checks with international security standards, independent security firm audits, and reviews of staff training and awareness programs are being monitored, with periodic controls being conducted.

Additionally, a clear escalation process is in place for employees to follow in the event they notice something suspicious. All information security breaches are reported to the Security Board using the bilgiihlal@koc.com.tr address. The IT Security Board takes the necessary measures to prevent these security breaches from occurring again in the future and to resolve them quickly or directs the relevant stakeholders to ensure that the necessary measures are taken. The intervention to information security breach incidents is carried out according to the Information Security Breach Incidents Management Procedure. Personal Data security breach incidents conveyed to the bilgiihlal@koc.com.tr address are immediately reported to the Personal Data Protection Authority.

Furthermore, disciplinary actions are taken towards employees who violate the Information Security Policy. The Employee acknowledges that in the event of a breach of this Commitment, the Company may claim compensation for the material and moral damages arising from the breach (without prejudice to the rights arising from the service contract) and in addition, a penalty clause in the amount of the Employee's gross salary for 6 months may be demanded. Lastly, information security breaches are monitored 24/7 by the SOC, and we experienced no breaches in 2024.

We have business continuity and incident response procedures in place, and tests are conducted at Koç Holding twice a year. The knowledge gained from the analysis and resolution of information security breach incidents is used to take the necessary actions to reduce the likelihood or impact of future breach incidents. Management responsibilities and procedures are determined to provide a consistent and effective approach to the management of information security breach incidents, which includes the connection over security events and vulnerabilities.

Trainings

Cybersecurity awareness training is held for our employees and is part of the employee performance evaluation.

A cybersecurity awareness program, which includes emerging risks, is carried out. With this program, various activities tailored to the profiles of employees within our group companies are conducted, enabling tailored approaches to address their diverse needs and skill sets. This includes information security/ cybersecurity awareness training, which is conducted annually and includes phishing simulations sent to users every month. Additionally, cybersecurity trainings covering topics such as identifying phishing emails, avoiding harmful downloaded files, safeguarding passwords, understanding clean desk practices, and safe use of artificial intelligence are conducted bi-annually. Trainings are organized for users who fail the phishing simulations, and in 2024, all of these users completed an online training.

Innovation / R&D

Koç Group sets the pace in their sectors through a commitment to innovation, fueled by robust R&D investments and thriving international collaborations.

Koç Holding strongly believes that technology and innovation reinforce green transition and its capacity is a strong indicator to prepare Koç Holding for future needs and help gain competitive advantage. **Technology and Innovation for Climate** section includes applied innovation and R&D examples.

Attaching tremendous importance to achieving growth that is driven by technology, R&D and innovation, the Koç Group allocated approximately TL 12.9 billion to R&D in 2024. The Koç Group is responsible for approximately 7%* of the total R&D expenditure in Turkey's private sector, and with 37 R&D centers, one design center and five technopolis R&D offices, it has the highest number of R&D centers of any group in Turkey. The Koç Group employs 7,453 R&D personnel, corresponding to 3.5%** of all personnel working in R&D in Turkey's private sector.

Koç Holding and Ford Otosan were 2 of the 5 Turkish companies included in the European Commission's "2023 EU R&D Scoreboard" report comprising the world's top 2,500 companies in terms of R&D expenditure***.

European Union (EU) Projects

Koç Holding provided mentorship to 100 firms under the Horizon Europe Mentoring Program. Ford Otosan was ranked first among the industrial companies that have received the highest funding and Arçelik was ranked first in the number of admitted projects in the list of the "Most Successful Turkish Industrial Organizations in Horizon Europe" published by TÜBİTAK (the Scientific and Technological Research Council of Türkiye)

In addition, Koç University was ranked first in terms of grant size and 3rd in terms of the number of admitted projects in the list of the "Most Successful Research Institutions****"

12.9 billion TL investment to R&D in 2024

7% of the total R&D expenditure in Turkey's private sector

3.5% of all employees working in R&D in Turkey's private sector

37 R&D Centers,
1 Design Center
5 Technopolis R&D Offices,

* Based on TurkStat "Gross Domestic Expenditure on R&D by Sectors and by Funding Source" 2022 data.
** Based on TurkStat "R&D Personnel by Professions and by Sectors" 2022 data.
*** https://iri.jrc.ec.europa.eu/scoreboard/2023-eu-industrial-rd-investment-scoreboard
**** https://ufukavrupa.org.tr/tr/en-basarili-turk-sanayi-kuruluslari

Supply Chain

Resilient supply chains are integral to mitigating a company's environmental, social and governance risks in the value chain. Regulations such as Corporate Sustainability Due Diligence Directive (CSDDD), social risks associated with the transition to clean energy, and role of the suppliers in reducing Scope 3 emissions make sustainable transformation of the suppliers more important than ever. Koç Holding 2023 materiality analysis results also show that Koç Group suppliers are ready for the sustainability transformation and that Koç Holding investors are ready to support this move.

Koç Group is committed to integrating environmental, social, and governance (ESG) perspective throughout its value chain and is continuously working to support and enhance the sustainability performance of suppliers.

Governance

The highest-ranking executive responsible for leading the Supplier ESG Transformation Initiative at Koç Holding is the Sustainability Coordinator. The Koç Holding Sustainability and Stakeholder Relations Team reports to the Sustainability Coordinator and serves as the core responsible team at Koç Holding for developing the strategy and overseeing the implementation of the Supplier ESG Transformation. Extended Core Team consists of representatives from Sustainability, Procurement, Finance, Compliance, and Human Resources functions at Koç Holding. Their role involves offering guidance and feedback in shaping the direction and strategy of Koç Holding's Supplier ESG Transformation Initiative.

The Supply Chain Sustainability Task Force, led by the Koç Holding Sustainability team, brings together the sustainability, environment, procurement and homologation departments of the Koç Group companies. Among the objectives of the task force are to train the Group Companies' buyer and the other relevant internal stakeholders on their roles in integrating sustainability into the supply chain, to identify areas of synergy, and to promote best practices.

Supply Chain Compliance Policy

Supply Chain Compliance Policy serves as Koç Group's Supplier Code of Conduct. The purpose of the **Supply Chain Compliance Policy** is to communicate the principles and values of Koç Group to Business Partners, and provide them with the necessary guidance on the standards we expect them to meet. This Policy is also intended to provide guidance to Koç Group companies in their processes for selecting and monitoring Business Partners. It establishes a comprehensive framework for compliance with legal regulations, anti- bribery and anti-corruption measures, human rights, occupational health and safety, as well as environmental and ethical considerations. Purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Supplier Code of Conduct and to prevent potential conflicts with ESG requirements.

Supply Chain Sustainability Initiative

Koç Group Supply Chain Sustainability Initiative is structured to integrate environmental, social, and governance (ESG) strategies into supplier selection, retention, assessment and development processes at Group companies. Its purpose is to manage environmental and social risks in the supply chain more effectively and to ensure that purchasing practices towards suppliers are continuously reviewed by "Supply Chain Sustainability" task force to ensure alignment with the Koç Group Supply Chain Compliance Policy and Supplier ESG Guide.

Supply Chain

As part of the Initiative, Koç Holding developed the **Supplier ESG Guide** to define its expectations from Group Companies. This guide encompasses governance guidelines, supplier onboarding, retention and termination processes, supplier segmentation and screening methods, supplier assessment procedures, development and capacity-building initiatives, recognition and incentivization frameworks, grievance mechanisms, transparency and reporting, and conflict minerals procurement guidelines.

Supplier Screening: Koç Group Companies are expected to identify their significant suppliers, based on their substantial business relevance to the company (critical suppliers) or the presence of significant risks of negative ESG impacts, or a combination of both, as determined during the screening process.

Supplier Assessment and Development: Supplier ESG assessment and development steps cover the significant suppliers at the minimum at Koç Group. ESG self-assessment of the suppliers are performed as part of the Koç Group due diligence process. Group Companies are expected to implement a publicly available supplier assessment process following the steps outlined below:

- Determining minimum ESG Criteria for suppliers
- Developing Self-Assessment Templates
- Validating the data submitted by suppliers
- Conducting on-site assessments
- Assigning Corrective Action Plans
- Assessing significant suppliers on a regular basis

In 2022, Koç Group launched Horizon Europe Mentoring Program, engaging 97 strategic suppliers so far. 15 Mentors from 8 Koç Group Companies and Koç University took part in the program. As a result, 23 mentored suppliers started Horizon Projects.

Transparency & Reporting: Group Companies are expected to report to Koç Holding on the relevant indicators annually for the past financial year (Please see **page 164**).

Conflict Minerals: Group Companies whose business involves conflict minerals implement a “Conflict Mineral Policy” aligned with “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas.

Systematic approach to identify supplier specific risks and dependencies

High level roadmap for managing and mitigating ESG risks in the supply chain

Supply Chain

With 10 more Group Companies in energy, automotive, consumer durables, tourism, and retail sectors identifying their significant and carbon-strategic suppliers in 2024 as part of the “Supply Chain Sustainability Initiative”, 12 Group companies have identified their key and carbon-strategic suppliers, as of 2024.

In 2024, 20% of the significant suppliers were assessed and a total of 15,530 hours of training were provided to suppliers through training programs.

The financial impact of CBAM (Carbon Border Adjustment Mechanism) on steel-specific operations of Group companies in Europe has also been analyzed. For more information, please refer to “**Climate Related Material Risks and Opportunities**” section.

For more information on 2024 Supply Chain Sustainability KPIs, you may refer to **page 164**. 2024 Supply Chain Sustainability KPIs were assured by EY within the scope of the Independent Assurance.

Consumer Durables Group Company **Arçelik has targets towards its strategic suppliers**. In addition, a minimum 20% of suppliers’ ESG score is weighted into the final score to be selected for contract awarding. More information can be found in the **2024 Arçelik Integrated Report**.

Ford Otosan released its Supply Chain Compliance Policy in 2022 and Supplier Sustainability Manifesto in the first half of 2023. In alignment with its long-term sustainability targets, Ford Otosan aims for more than 300 suppliers in the supply chain to become carbon neutral by 2035. More information can be found in the **2024 Ford Otosan Integrated Annual Report.**

Among the Group companies, Arçelik and Ford Otosan have Conflict Minerals Policies. Tofaş’s updated Supply Chain Compliance Policy also includes a section on conflict minerals.

As a member of the Responsible Minerals Initiative (RMI), Arçelik uses RMI tools to assess the risk levels of smelters or refiners (SORs) worldwide, verify the country of origin, prepare for sourcing other valuable materials such as cobalt, mica, or copper, and train its suppliers.

In 2024, **Yapı Kredi** provided technical consultancy support to SMEs via its Energy and Production Efficiency Project, to help them transform into efficient companies, offer the necessary financial support for the investment requirements that may arise, and emphasize the importance of energy efficiency within the companies.Within the scope of the project, the kick-off took place in Denizli with the support of the Denizli Chamber of Industry.The project is expected to continue throughout 2025, with the second phase to start in collaboration with the Çorlu Chamber of Commerce and Industry.

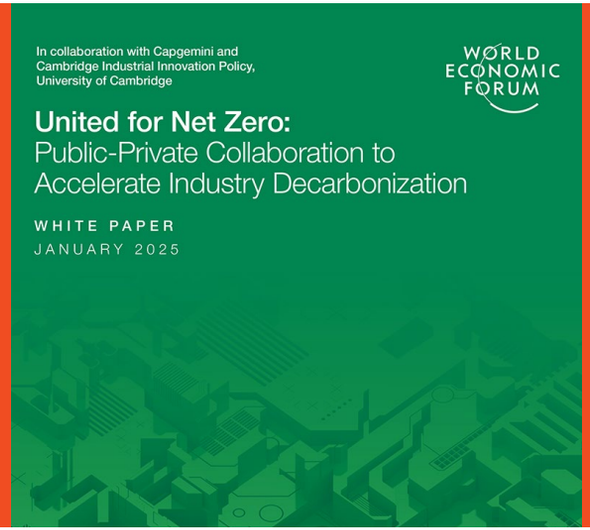
Moving forward, we strive to increase coverage of suppliers assessed, trained and evaluate potential Group-level targets.

Supply Chain

Koç Holding acknowledged in WEF Report

Koç Holding was acknowledged in the "United for Net Zero: Public-Private Collaboration to Accelerate Industry Decarbonization" report prepared by the World Economic Forum.

The report, prepared in collaboration between the University of Cambridge and Capgemini, offers recommendations to accelerate the transition to a low-carbon economy. In the report, to which we contributed particularly on the green transformation of supply chains, the focus is on the challenges faced by SMEs and the opportunities for public-private sector.



Turkey's first C2FO ESG Performance-Based Supplier Early Payment Program

Arçelik has launched Turkey's first C2FO ESG Performance-Based Supplier Early Payment Program, which offers advantages to suppliers with high sustainability scores. Implemented in collaboration with İş Bankası, the program will contribute to Arçelik's goals of transitioning to a low-carbon supply chain.


Yapı Kredi Banking Base
Empower people.
Together

Empower people. Together

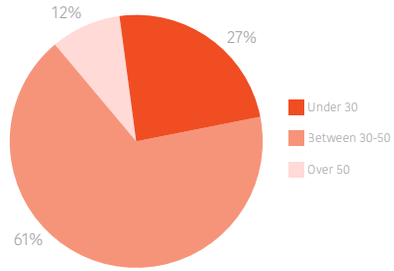
We strive to create a community of empowered and engaged employees who are knowledgeable and capable of providing Koç Group a long-term competitive edge in the global marketplace. Aligning with Koç Group's global growth vision, our talent management approach focuses on attracting and retaining top talent, and developing them into motivating and inspiring leaders.

Koç Group prioritizes its people and empowers them to become leaders in an agile business environment. The long-standing culture of putting people first at Koç Group has enabled employees to realize their full potential, contributing significantly to our role as leaders in the industries in which we operate.

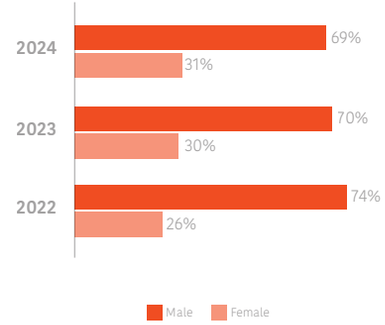
We prioritize empowering our people with the right skills and creating the most skilled and diverse work environment in line with the Koç Group Code of Ethics, Business Conduct, and Sustainable Development Goals. We maximize our collective potential to address and create solutions to the most urgent challenges facing society.

Koç Group Employees in 2024

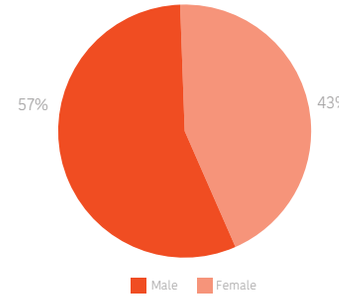
Employees by Age



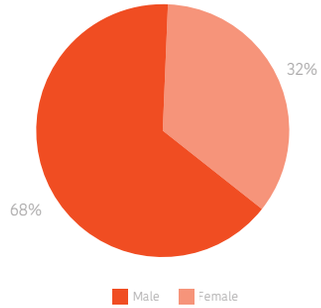
Employees by Gender



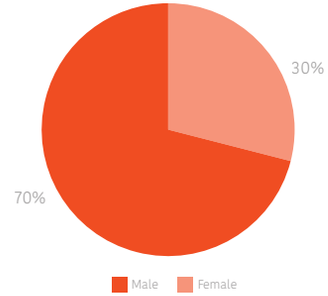
Promotions by Gender



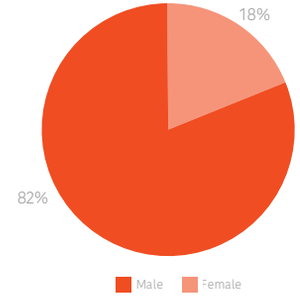
Junior Management by Gender



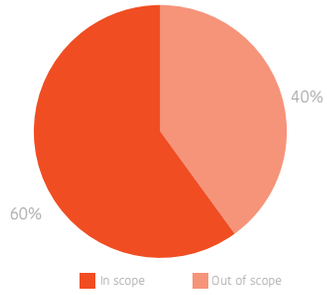
Mid-Level Management by Gender



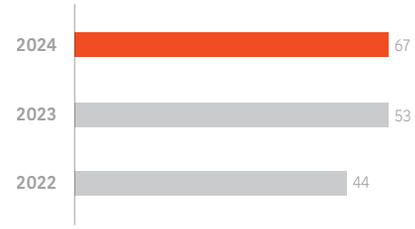
Senior Management by Gender



Collective Bargaining Agreement Coverage



Average Annual Training Hours



Largest employer in Turkey with approximately **130,000 employees***

* This is the total number of employees in all of Koç Group. However, this Report covers ~90% of the total workforce corresponding to 117,998 employees.

Employee Support

Wellbeing

At Koç Group, we prioritize the wellbeing of our employees, supporting them to have higher levels of satisfaction and engagement at work as well as in the community. We provide a full range of wellbeing programs to keep our employees engaged over the course of their employment.

As of early 2024, the “Online Clinic” services provided to Koç Group employees and their families have been integrated into the Koç Healthcare (KHC) platform through a collaboration between the American Hospital and the Koç Holding Pension Foundation. This platform offers a more comprehensive and innovative healthcare experience aimed at supporting the holistic well-being of our employees and their families. The diversity of healthcare services has been expanded, and access has been made easier through digital health technologies. By the end of 2024, a total of 167 doctors and specialists across 38 different medical fields continue to provide services. In 2024 alone, more than 20,000 appointments were made through our Online Clinic service.

Within the scope of our psychological support program, 1,724 of our employees received a total of 10,515 counseling sessions, and 2,017 employees across the Group benefited from 4,042 sessions with dietitians. The satisfaction rate for services received via the Online Clinic platform exceeds 80%.

We recognize the importance of the holistic well-being of families and offer a comprehensive benefits package that includes loved ones. The “My Family is Safe” program uniquely expands the scope of treatment coverage for the existing medical conditions of not only our colleagues but also their family members. Additionally, employees and their families benefit from special discounts at the American Hospital, Koç University Hospital, and the American Outpatient Clinic—all institutions under the Vehbi Koç Foundation.

Koç Group Sports Club

The mission of Koç Group Sports Club (KTSK) is to promote wellbeing and sports activities among Koç Group employees and their families. KTSK activities are mostly organized in Koç Grove which is a 120,000 m^2 green field that offers a variety of sporting and recreational facilities with many facilities located within.

Aside from hosting an array of year-round events and activities, KTSK has promoted the unifying spirit of sports across the Group with the international Koç Group Sports Festival since 1989. In 2024, the 35th Koç Group Sports Festival welcomed a record-breaking number of nearly 7,000 participants—including 71 retired employees—from 37 Group companies, across 18 disciplines and 27 categories. The final matches and Closing Ceremony brought together 131 athlete-employees from 12 countries across 3 continents.At the Closing Ceremony, the girls' football team from the Hatay Umut Kent Sports School—one of our Hope Towns sports programs—was honored with a commemorative plaque for winning first place in a tournament held in Hatay.In addition, 68 of our colleagues with disabilities participated in Para-Sports competitions across three different disciplines in 2024.

This year, Koç Group Sports Club earned the Zero Waste Certificate. Alongside a wide range of sports activities held at Abdülmecid Efendi Grove, the club continues to support the holistic well-being of our employees by adding environmentally friendly new facilities and expanding its offering of artistic activities.

Employee Support

Family Benefits

KoçAilem

KoçAilem is a benefits platform that functions similarly to a loyalty program, providing exclusive benefits to Group employees, pensioners, vendors, students at Koç Group schools and their families. These benefits include discounts and exclusive offers on dozens of brands across a wide variety of industries, including apparel, food, gas and telecom. In 2024, members saved over 1 billion Turkish Lira by utilizing KoçAilem benefits.

To support our employees and their families with the costs associated with grocery shopping, we have established an online supermarket through the KoçAilem platform.

KoçAilem Online Market provides reasonably priced grocery shopping for a range of products, including staple foods, cleaning products, personal hygiene items, beverages and snacks.

KoçAilem Peer-to-Peer Blood Donation Platform

We introduced the KoçAilem peer-to-peer blood donation platform in September 2020. It connects Koç Group employees with other donors in a virtual setting when blood is required. Through this platform, 12,000 Koç Group employees have registered as volunteers, and more than 1,500 blood donation needs have been met to date.

Modern Workplace

Hybrid Working Model

Working models need to be differentiated according to the role, specific conditions, and needs of each employee. In this sense, we are the first and largest industrial group in Turkey to permanently adopt hybrid working principles. We provide WIFI and lunch support for all hybrid working employees for their remote working days. In addition to these, we consider online meeting, collaboration and socialization needs while redesigning our offices.

In 2024, we reviewed our existing Hybrid Work Policies and adopted an office-first hybrid working model across the Group. While continuing to implement the hybrid model, we are also maximizing the benefits of working together in physical office spaces—such as enhanced collaboration, creativity, and better learning experiences.

To improve the office experience, we launched “Koç Office Free,” a workspace reservation system that allows our colleagues to work from any Koç Group shared office of their choice. This system provides access to 55 collaborative open office spaces throughout Turkey.

Employee Support

Agile Working Practices

We are leading an Agile Transformation initiative across Koç Group companies, focusing on shifts in corporate culture, work practices, and organizational design. Through this initiative, we aim to address customer expectations and the demands brought about by digital transformation in today's dynamic business environment.

With over 14,000 employees and 1,700 teams practicing agile methodologies, we are currently the largest agile community in Turkey.

To facilitate the development of agile capabilities across the Group, expedite the cultural shift, and establish an agile ecosystem for knowledge sharing, we have founded the "Koç AgileAcademy." Koç AgileAcademy leads the world in its respective category, with no organization of comparable size and scope. The Academy offers over 30 programs in collaboration with 20 world-leading institutions with experience and expertise in Agile methodologies, including but not limited to Harvard Business School,

MIT, Scrum Inc., Business Agility Institute, and BCG. With a focus on holistic design, the training programs include multiple developmental paths for all roles and organizational levels. The training programs are designed holistically, offering multiple development paths for all roles and organizational levels.

More than 150 senior executives have participated in the Agile Leadership Program, and to date, over 15,000 individuals have benefited from Koç Agile Academy programs.

Apart from improving agile capabilities, we prioritize ongoing enhancement of our operational procedures by tracking agile KPIs and conducting periodic "agile maturity assessments." We evaluate our "agile maturity" and pinpoint areas where our workplace culture needs to improve through these assessments performed in collaboration with the Business Agility Institute.

Talent Management

We invest in the competencies of the future to equip our employees with the skills and motivation they need to be successful in tomorrow's workplace. To attract the best talent, we want to create a more flexible, agile, dynamic, collaborative and entrepreneurial work environment.

Employees have access to training and development opportunities to help them attain and exceed their full potential. In addition to training in areas such as the environment, ethics, and Occupational Health and Safety (OHS), employees can participate in a variety of technical and leadership development programs aligned with future business models.

Various mechanisms are in place to deliver a positive work experience to talented individuals who join the Group and to evaluate them in the Group companies' talent pools. Prospective employees undergo competency-based evaluation processes tailored to different organizational levels and positions.

The "Assessment Center" identifies employees with Senior executive-level competencies. This allows for a more effective succession plan for senior executive positions, as well as proactive assistance for candidates through training-development programs and job rotations.

Incentive plans, linked to both short-term and long-term business performance, are in place for the manager level and above. Incentive plans are structured by group companies based on each organization's specific needs and goals.

The succession planning process is done every year by proactively creating internal, cross-company talent pools. All successors receive customized development plans with the aim of preparing them for future roles. As a result of 2023 Materiality Analysis, "talent attraction, development, and retention" emerged one of the very high material topics.

Talent Attraction

Koç Holding successfully represented our country as the number one employer in Turkey for the **8th time in Forbes' "World's Best Employers"** survey.

Internships

One of Koç Group's priorities for sustainable talent management is to attract young talents to the Group, assess qualified individuals who have interned at Koç Group companies within the talent pool, and bring them into the organization. In 2024, 41% of the new graduates starting at Koç Group were individuals who had previously worked as interns at Koç Group.

Talent Management

Talent Development and Retention

KoçAcademy / Training and Development

Koç Academy is an educational platform offering over 6,500 online video courses in categories such as health and life, digital technologies, family, hobbies, and personal development, aimed at Koç Group employees and their families. The platform is accessible from all mobile devices.

Koç employees have access to Learning and Development (L&D) programs created in collaboration with respected global and local institutions as part of talent management. Koç Group seeks to support their employees in a variety of areas including leadership, strategy, change management, and digital competencies at various stages of their careers through L&D programs offered under the "LEAD" brand.

LEAD provides over 300 different programs to help Koç Group employees in their managerial and digital transformation. Two of these programs are the "Personal Development Program (PDP)" and the "Be Global" program, designed in-house for senior executives. These development programs aim to enhance the leadership behaviors of our senior executives while broadening their global perspectives. Senior executives also participate in Harvard Business School's "General Management Program (GMP)" and "Advanced Management Program (AMP)."

Under LEAD, programs from leading global institutions such as BCG, McKinsey, Harvard Business School, MIT Sloan, and Columbia Business School are also offered. Over the last 10 years, approximately 4,000 employees have participated in programs from these prestigious institutions. In addition, Koç University's MBA and Executive MBA programs, as well as the Master's in Finance (MSc) program, provide opportunities for Koç Group employees to enhance their management and leadership skills and advance their careers.

For middle management, the "Unlock" training program, which consists of three modules and a total of 12 days of training, was launched in 2024. The goal of this approximately 6-month program is to equip our middle managers with skills to manage "The Future," "Change and Differences," and "Team Dynamics." Additionally, the program includes fundamental theoretical training on Artificial Intelligence and workshops where different AI tools are used.

Talent Management

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Program Description	Program Objectives	Facts & Figures
• The program is designed to invest in talented Mid-Level Managers with high leadership potential and prepare them for future executive positions across the Koç Group. • The program continues since 2010 and for each cohort, the program consists of 3 modules and lasts for 2 years. • In addition to 3 modules of physical training, the program involves 1:1 coaching sessions and online trainings programs, meeting with Senior executives, campus visits and more. • Program curriculum is re-designed for each cohort based on contemporary strategies and Human Resources planning of Koç Group.	• The program seeks to develop leaders who are knowledgeable about the techniques required to create and manage high-performance teams. • Create a pool of exceptionally talented future leaders who are able to create and manage an agile, diverse and inclusive cultural environment. • Build a high-value network of leaders with opportunities of learning from each other as well as exploring business synergies.	• **334 participants** • **46%** of program alumni continue to serve as senior executives. • Current cohort (2023-2025) has **50 participants** and a Net Promoter Score (NPS) of 96.

Talent Management

Personal Development Program (PDP)

Program Description	Program Objectives	Facts & Figures
• The program is designed for senior executives (e.g. General Managers / CEOs, Executive VPs, Group Directors, etc.) • The program consists of 3 modules and lasts for 6 months. • World-class leadership training for Koç Group's senior executives to prepare them to be successful in the current and future business environment. • The program involves both classroom training with intensive hands-on practical learning and a wilderness trail.	The program seeks to help leaders to: • Develop personal mastery and self-awareness for effective leadership. • Have an effective, authentic personal leadership style. • Possess strategic thinking and decision-making abilities. • Lead transformative change in their respective organization with speed and agility.	• **9 cohorts ran**, with a total of **164 participants.** • The last program achieved a Net Promoter Score (NPS) of **74.** • **62% of eligible participant**s have participated in the program.

Talent Management

Career Opportunities

Koç Group offers rotation opportunities to its employees in more than 40 countries and across 10 different industries, with over 100 companies. In 2024, approximately 2,500 Koç Group employees participated in rotation programs, taking roles in different sectors, companies, and departments.

The Koç Group uses Koç Kariyerim, its career platform, to post job openings for every position in the Group. The Group prioritizes its employees when filling vacant positions. In 2021, Koç Kariyerim extended its use to non-Group candidates, providing them with access to all career prospects within the Group through the platform. Candidates can now upload their existing CVs to the system and create their profiles using artificial intelligence technology, which became available in 2022, after which they are matched to roles that correspond to their skills.

Succession

The succession planning process is executed each year by proactively creating internal, cross-company talent pools. All successors receive customized development plans with the goal of preparing them for future roles. 90% of Koç Group's senior executives have been promoted from within the organization in the previous seven years thanks to our well-defined and structured succession plan for our senior executive roles.

Performance Management (Koç Diyalog)

In 2020, Koç Group launched a new “Performance Management System” that supports new workplace dynamics and operating models to accelerate our digital projects and agile working approach.

We set out from a system where the same understanding is applied in all Koç Group companies, to the flexibility of companies to customize application in accordance with their own characteristics, to target structures that employees can actively update throughout the year with the intention of shifting from the system that measures the past to a future-oriented approach through the use of Objectives & Key Results approach (OKRs).

Knowing that our most important need is dialogue and exchange of ideas, we not only renewed the skeleton of the system, but strengthened its heart; we have put in use, a development-focused mechanism that encourages cooperation & more dialog both among the executives and employees and among all stakeholders.

Throughout the year, managers and employees connect for five one-on-one meetings. To make these dialogues productive, employees come prepared by reflecting on a set of questions beforehand. This helps focus the discussion and ensures everyone gets the most out of the meeting.To onboard and train our employees, “Koç Diyalog” training program was designed in 2020 in collaboration with Columbia Business School, Neuroleadership Institute, and Emeritus to facilitate the Group’s transition to a new performance management system. In addition to supporting the transition process, the program focused on creating a culture that empowers the employeesin areas including communication, effective feedback, change management, and career development. More than 37,000 office employees participated in the program.

Employee Engagement

We prioritize employee feedback when determining initiatives that will shape our workplace and the work environment. Regular surveys and pulse checks keep us informed on employee sentiment. Our annual Employee Engagement Survey dives deep into various aspects of the workplace experience, including management style, well-being, autonomy, and inclusion. These elements are grouped under key themes like Agility, Engaging Leadership, Talent Focus, and Foundational Elements.

In each of the last five years, more than 85% of Koç Group employees participated in the Employee Engagement Survey. In 2024, the participation rate was 86.2%.

Human Resources Risk Management

Risk	Description	Mitigation Actions
Workforce Transformation	Emerging technologies and their impact on the workforce have been the subject of discussions for decades. However, the pace of change has accelerated in recent years. Developments in automation and digitalization in particular will have a significant impact on the current workforce. By 2030, there will likely be a rise in the need for social and technology skills across several industries in Turkey. The workforce transformation requires organizations to design the ideal organizational structure, integrate the right skills, and employ the right number of people while making sure they allocate sufficient time for handling this kind of shift in the workforce. In recent years, we have seen fast personnel increase followed by large layoffs in a variety of industries worldwide.	To create a sustainable workforce, Koç Group prioritizes proactive workforce transformation management. In Koç Group, rather than making radical shifts in the workforce, we proactively invest in skill transformation, provide up-skilling and re-skilling opportunities, and leverage any possibilities for digitalization and automation in our processes.

Human Resources Risk Management

Risk	Description	Mitigation Actions
Long-Term Stress and Its Effects on Mental Health	Both the challenges and uncertainties faced in work life and other aspects of life are causing employees to struggle mentally. The global climate of uncertainty, high inflation, geopolitical tensions, and concerns regarding the impact of rapidly changing technology on the workforce are affecting employees. The prolonged presence of these uncertainties and issues in our lives can negatively impact employees' mental health. According to the World Health Organization, 15% of working-age adults live with mental disorders. According to the World Economic Forum, it is estimated that approximately 12 billion workdays are lost each year due to depression and anxiety. This results in a productivity loss to the global economy amounting to 1 trillion dollars annually.	As Koç Group, we prioritize the well-being and holistic welfare of our employees. We support our employees not only in their professional lives but also to help them feel more satisfied in their personal lives. Experts suggest that being part of an inclusive community, engaging in physical activities, and feeling financially secure have a positive impact on mental health. At Koç Group, we value providing equal opportunities at all levels with an inclusive approach, creating a work environment that caters to the needs and expectations of all employees, without any distinction based on personality traits. We support this not only through our practices but also through training programs (for detailed information, you can check the Diversity and Inclusion section). Through events such as the Koç Group Sports Festival and activities organized by the Koç Group Sports Club, we provide opportunities for our employees and their families to engage in sports and cultural activities throughout the year, and we encourage our employees to participate. As detailed in the Employee Wellbeing section, we offer Online Polyclinic services to our employees. In 2024 alone, more than 10,500 sessions were conducted as part of psychological support programs. With the benefits provided by KoçAilem and various financial opportunities offered through the Koç Holding Retirement and Assistance Fund, we also contribute to the financial well-being of our Group employees.

Diversity and Inclusion

As Koç Group, we believe that diversity and inclusion in the workplace are essential for integrating sustainability into our operations. Companies with a diverse and inclusive workforce perform better in the business world due to their higher innovation capacities, and employee engagement and satisfaction are also higher in such organizations.

At Koç Group, a range of initiatives are being carried out to ensure equal opportunities for employees at all levels. In this regard, training programs and support systems have been updated to cover all job categories, ensuring that all employees have access to the same communication platforms.

We strive to create an environment that meets the needs and expectations of all our employees, without any distinction based on gender, religion, sexual orientation, language, ethnicity, race, ideology, beliefs, physical differences, or any other personal trait protected by law. Our focus is on creating a more productive and collaborative, inclusive culture throughout our value chain. In line with the Koç Group Human Rights Policy, we have adopted a comprehensive approach to eliminate all forms of discrimination and gender-related biases in the workplace. As part of this effort, we translated the Implicit Association (Unconscious Bias) tests, developed through a joint study by Harvard University, University of Virginia, University of Washington, and Yale University, into Turkish in 2024, in collaboration with our professor from Koç University. These tests were integrated into our leadership programs to raise awareness among our leaders about unconscious biases, and we followed up with training to support their development in this area.

The following steps have been taken across the Group to promote and ensure equality at all levels:

- 30 group companies, together with Koç Holding, became signatories of the UN Women's Empowerment Principles (WEPs).
- Koç Holding partnered with UN Women's HeForShe movement and became one of the 10 Impact Champions of "HeforShe" between 2015 and 2021.
- Koç Holding has become a global member of UN Women Un-Stereotype Alliance promoting ideas and action to bring about an end to harmful stereotypes in all kinds of media and advertising.
- Koç Holding is a leader in the Action Coalition on Innovation and Technology of the Generation Equality Forum.

Diversity and Inclusion

In accordance with our Board Diversity Policy, established by the Board of Directors in 2021, we strive to maintain a minimum of 30% female representation on the Board of Directors at all times.

We encourage gender equality in the workplace with the goal of ensuring that all positions and roles attract more women applicants. We seek to increase women's representation in executive roles, and our management succession plans include at least one female successor for each position.

We employ genderless vacancy announcements to ensure that every candidate is assessed under equal and fair conditions during the recruitment processes. Also, we implemented the "Recruitment Accreditation" program to improve recruiter competence.

We enhanced counseling services provided prior to and following maternity leave, childcare and nursery assistance, and workplace safety. In 2024, 987 female employees took maternity leave, and 93% of them returned to work after their official leave ended. A total of 3,959 female employees benefit from childcare support.

Generation Equality Forum

Action Coalition on Technology and Innovation for Gender Equality

To promote gender equality in technology and innovation, we are a leader in the Technology and Innovation Action Coalition of The Generation Equality Forum and have announced three commitments that will contribute to global initiatives on the topic.

Our commitments include endorsing Koç Group Companies to become global commitment-makers for solutions and creating and scaling transformative change. We have engaged Koç Group companies Aygaz, Arçelik, Ford Otosan, Koçfinans, Tofaş, Tüpraş, TürkTraktör and Yapı Kredi, which operate in the energy, automotive, durable goods and finance industries, to be global commitment-makers. Along with several commitments, the companies also set targets to increase the number of women employees in the technology and innovation departments, while maintaining a minimum ratio of 30%.

Details of our commitments and actions on this topic can be found under the section: **Strengthen communities. Together.**

Occupational Health and Safety

Occupational Health and Safety (OHS) is an integral part of our business culture and Koç Group strives to achieve excellence in OHS throughout all of its operations in line with its zero accident target.

Koç Group Occupational Health and Safety Policy has been updated to cover all of its current activities, and the Group companies continued to operate in line with the commitments set out in the OHS Policy in 2024. Occupational Health and Safety Policy provides guidelines for a healthy and safe working environment for our employees and contractors, approaches to prevent potential occupational diseases and injuries, and the necessary efforts to maintain zero accidents. Focusing on continuous improvement, complying with corporate policies, procedures and legal obligations, and enhancing our Occupational Health and Safety performance using the best available technologies are also included in the Koç Group OHS Policy. The participation of employees and employee representatives is encouraged to establish and maintain a strong safety culture and necessary training is provided to our colleagues.

The OHS Unit of Koç Holding operates under the Koç Holding Human Resources Directorate. It oversees the occupational health and safety processes across the Koç Group, aligning with centrally established standards. Apart from providing guidance to Group entities and coordinating training initiatives, the unit conducts centralized OHS audits, tracks monthly performance indicators, submits reports to Top Management, and presides over the Koç Group OHS Committee.

OHS units within the Group companies go beyond the requirements of the Group management system by designing additional processes to make working environments and conditions safer and also take actions to meet legal requirements.

In 2024, international approaches and practices on “Behavior-Based Occupational Safety Training” were examined, and a working group with representatives from Koç Group companies designed customized training content to meet the needs of our companies. In addition, technical specifications were prepared on “Koç Group OHS Audits” and auditing companies were determined.
In line with the evaluations and prioritizations, Koç Group OHS Audits will be launched in 2025. Necessary planning will be made to effectively carry out Behavior-Based Occupational Safety Training.

For more details on OHS data, please see “**Social Performance Indicators**”

Further information on OHS is available in **Koç Holding 2024 Annual Report**.

Act for the planet. Together

Act for the planet. Together

Koç Holding believes that a healthy business is not possible without a healthy world and society, and aims to manage all environmental risks and opportunities, especially climate change, from a long-term perspective. With Act for the Planet. Together, we aim to integrate local and global environmental issues into our decision-making processes.

Businesses around the world have an important role in responding to the needs of the planet. Climate crisis continues to be a complex global challenge. Goals set in the Paris Agreement and the United Nations Sustainable Development Goals address the need for a change, especially for the areas being affected the most. To mitigate the effects of climate change, businesses, governments, and societies need to act together. The need to limiting global warming to internationally recognized 1.5°C is more acute than ever.

Climate Governance

Governance of Climate Related Risks and Opportunities

Robust corporate governance is key for long-term success. Koç Holding BoD manages and represents the Company through its strategic decisions, taking into consideration particularly long-term interests in light of keeping the Company's risk-growth-profits balance at the most appropriate level through a rational and cautious risk management approach.

Board Oversight, Skills, and Expertise

Climate-related risks are overseen by the Risk Management Committee at the Board of Directors level. According to its Working Principles, the role of the Risk Management Committee is defined as making recommendations to the Board on the risk management system designed to enable an early detection of the risks and their effective supervision and management. In this respect, the purpose of the Risk Management Committee is to receive and consider reports from Company management in order to review and evaluate current and potential strategic, operational, financial, legal, sustainability and any other risks to the Company which may impact its existence, development and continuity and to report on those risks to the Board, making recommendations as to preventive measures consistent with the Company's corporate risk profile. As such, its duties also include evaluation of options and making recommendations to the Board about developing and integrating internal control systems.The Committee convenes at least six times a year. In 2024, the Committee worked to assess the Company's risk profile, identify measures to be taken in risk prone areas, implement information security policy, review compliance risks and the related studies thereof, assess sustainability risks and prepare the risk management chapters in the annual report. Sustainability Coordinator reports on sustainability and climate-related progress to the Risk Committee at least twice a year.

Two members of the Risk Management Committee are Peter Martyr as Chair and Ms. Caroline N. Koç as Member. Peter Martyr has extensive experience in global strategy, governance, and corporate risk management. He played a key role in advancing the firm's work on sustainability, ESG risk advisory, and regulatory compliance, particularly within sustainability and financial services. Caroline N. Koç brings a strong perspective on environmental and social sustainability through her long-standing involvement in civil society. As a founding member of the Mediterranean Conservation Society, she actively supports marine ecosystem preservation and biodiversity in Türkiye. She is also engaged in various education- and inclusion-focused initiatives.

Based on the Glass Lewis Board of Directors Talent Matrix assessment, 58% of Koç Holding Board members are identified having environmental skills and/or expertise. This includes but is not limited to serving as the founder/trustee/Board member of environmental NGOs and/or working on ESG as part of their professional work experience.

Climate Governance

Key top management roles to support Board oversight

Chief Executive Officer (CEO): Climate related risks and opportunities are governed by Koç Group Carbon Transition Program, managed under the leadership of the CEO of Koç Holding. Moreover, the CEO represents Koç Holding at global sustainability initiatives, such as the WEF CEO Action Group for the European Green Deal, demonstrating the company's commitment to global environmental goals. Koç Holding is also an endorsing company of the CEO Water Mandate, an initiative of the UN Global Compact, to align with an international framework on water management, as well as disseminate and learn from best practices at a global level.

Chief Financial Officer (CFO): The CFO of Koç Holding is engaged in overseeing the financial planning with regards to the climate transition plan and monitors the progress towards achieving the environmental targets. The CFO ensures the integration of the financial lens and plays a key role in translating our climate commitments into actionable financial strategies — embedding climate considerations into capital allocation, scenario analysis, and target monitoring. Moreover, as an endorsing company of the CFO Coalition for SDGs, Koç Holding demonstrates its commitment to international standards and best practices in SDG-aligned investments.

Corporate Communications and External Affairs Director: The Corporate Communications and External Affairs Director at Koç Holding is an executive manager and is accountable for driving progress in Environmental, Social, and Governance (ESG) priority areas, with a particular emphasis on climate-related targets. The Sustainability Unit, which is part of the Corporate Communications and External Affairs Department, is responsible for the implementation of the strategy as well as coordinating the different units across the Group.

Sustainability Coordinator: The Sustainability Coordinator at Koç Holding manages the climate related strategy, including risk and opportunity management, target setting and implementation across Group Companies. Sustainability Coordinator reports the updates to the CEO and CFO 1-2 a year and to the Risk Committee at least twice per year. Sustainability Coordinator is also the Chair of the Environmental Council, the Group-wide council to address environmental challenges and opportunities. She serves on the Board of UN Global Compact Turkey and is the co-president of UN Global Compact Turkey Environment Task Force.

Coordination among relevant functions at Koç Holding
Sustainability team works in coordination with the finance, strategy and business development, venture capital investment, HR, OHS, and Compliance units within the Holding, as deemed necessary. Climate related capital allocation is overseen together with Finance. As part of their role to identify M&A and/or business development opportunities, Strategy and Business Development monitors potential opportunities that could contribute to Koç Group's green transition, and evaluates their feasibility. Likewise, Koç Holding Venture Capital Investment works in coordination with the venture capital investments made by the Group Companies. Climate related investments are evaluated within the overall scope, subject to overall feasibility.

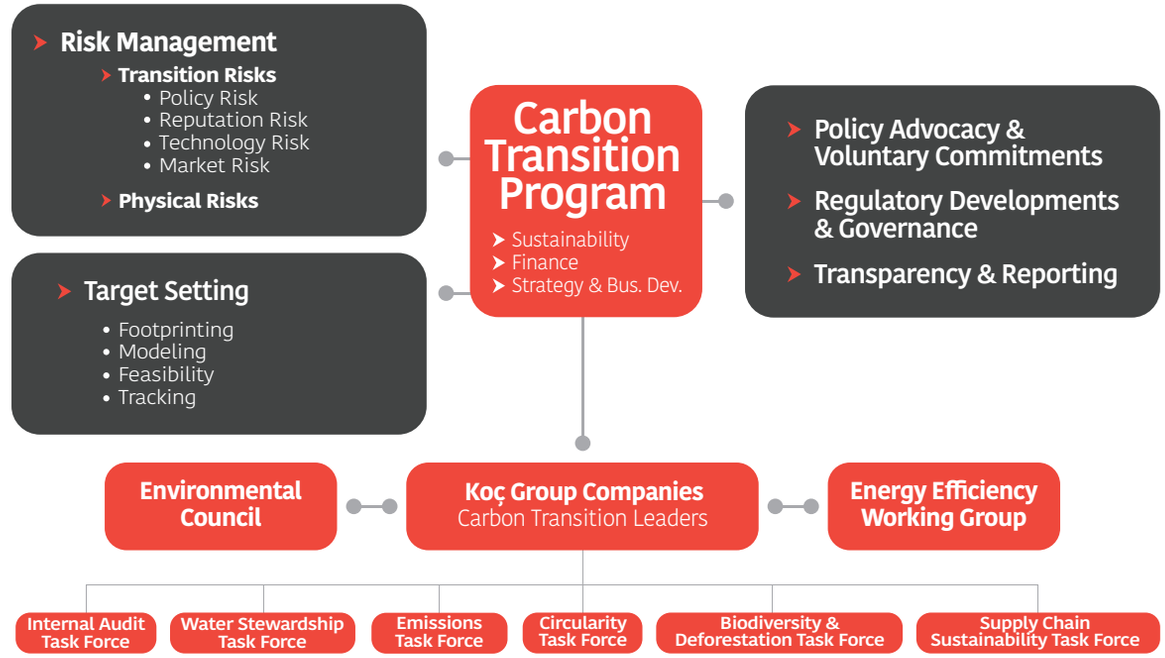
Climate Governance

Governance at Group Company level

Carbon Transition Program at Koç Holding advances with the contributions of Carbon Transition Leaders, which include senior managers from the Group companies, as well as employees from various departments such as R&D, environment, finance, innovation, human resources, corporate communication, marketing, purchasing, strategy, and production.

Within relevant Koç Group Companies, General Manager, Deputy General Manager or the manager reporting to the Deputy GM is responsible for overseeing the Carbon Transition Program. The responsible works in coordination with the Company's environmental, human resources, finance, law, audit, purchasing, innovation and digital transformation teams. The relevant units in the Koç Group companies are regularly informed of Koç Holding's sustainability efforts. These departments meet twice a year to establish cross-sectoral connections, evaluate global trends and potential impacts, and share the companies' strategic priorities and best practices.

The Koç Group Environmental Council provides technical support. This council, comprised of experts from all Group Companies in environment, energy, water, product stewardship and sustainability fields, collaborates to create common knowledge and best practices across all sectors of operation. The council ensures alignment with the Group's long-term environmental strategies and oversees the implementation of environmental targets and performance indicators. While the task forces under Environmental Council meet as needed, all Environmental Council members across the Group meet 3-4 times annually.



Climate Governance

Controls and procedures used to support oversight of climate matters

Sustainability and climate-related risks and opportunities are **reported to the Risk Committee at least twice a year**. Updates and progress on Carbon Transition Program and Water Stewardship initiatives are **reported to the CEO and CFO** twice times a year.

Annual target setting process is conducted with the Group Companies to support progress towards carbon-neutrality goal and material climate related risks and opportunities. As part of the process, Koç Holding Sustainability Unit holds meeting with relevant subsidiaries and joint ventures* twice a year, to set the targets and to monitor progress. As a general principle, the Group Companies consider their subsidiaries, as part of the process and report their consolidated progress to Koç Holding. At the year-end meeting, these Group Companies as part of Carbon Transition Program meet and provide year-end update on their sustainability achievements.

Koç Group Environmental Policy, effective as of 2021 following BoD approval, is the framework of reference to manage the environmental impacts and **Koç Group Supply Chain Compliance Policy** along with **Supplier ESG Guide** are the reference document to ensure environmental risks are effectively managed in the supply chain.

We are among the companies that support the **Task Force on Climate-Related Financial Disclosures (TCFD),** which is part of ISSB as of 2024. Our objective is to effectively manage the risks and capitalize on potential opportunities arising from climate change in line with ISSB/KGK recommendations.

Setting science-based targets is another control mechanism at Koç Group to ensure a scientific approach in climate oversight. By setting science-based targets, these companies demonstrate their commitment to addressing climate change in line with scientific recommendations, driving meaningful reductions in emissions across their operations and supply chains. Koç Group Company Arçelik and JV Ford Otosan have SBTs in line with SBTi Corporate Net Zero Standard and received validation. Yapı Kredi also received validation for its SBT and became the fonly private Tier-1 bank in Turkey to do so.

Potential investments undergo **a holistic evaluation process including financial and environmental (exposure to climate risks and opportunities) criteria** during decision making and strategy setting processes.When alternatives with similar financial feasibility are reviewed, environmental trade-offs are taken into account to guide decision-making. **If deemed material, environmental due diligence is conducted** as part of the overall due diligence process.

Trade-offs are also accounted for between negative and positive environmental impact regarding the same investment. For example, while green hydrogen is a clean energy that contributes to emission reductions, its high water need is recognized as a trade-off requiring careful monitoring as part of water stewardship efforts . Similarly, the clean energy transition increases demand for critical minerals. These trade-offs are evaluated to ensure long-term value creation.

* **Subsidiaries:** Arçelik, Aygaz, Divan, Entek, Otokar, Otokoç, SeturMarinas, Tüpraş, Yapı Kredi. **Joint Ventures:** Arçelik-LG, Ford Otosan, Koçtaş, Opet, Tofaş, TürkTraktör

Climate Governance

Finally, **the Internal Audit Task Force, as part of the Environmental Council**, conducts environmental audits across all Group Company facilities biannually, covering the past two years. The latest audit was conducted in 2024, across 18 Group Companies and 9 Joint Ventures. As part of our internal environmental audit process, an audit coordination team is established to oversee planning and execution. Internal auditors are comprised of technical experts from the Group Companies. Facility and auditor information is regularly updated. Facilities to be audited are prioritized based on environmental impact and risk materiality as well as exposure to environmental regulations. Audits are conducted either on-site or remotely. Prior to audits, companies review and submit key compliance data, including waste and greenhouse gas inventories. During audits, legal compliance, waste management practices, and emission calculations are verified through document reviews and field inspections. Findings are discussed with company representatives, and final reports are classified and consolidated for broader sustainability reporting. All findings are reported by the Audit Coordination Team to Holding Sustainability Unit, after which they are shared with the Company GM/Director/ Environment Managers.

	Subsidiaries									Joint Ventures					
	Koç Holding	Arçelik	Aygaz	Divan	Entek	Otokar	Otokoç	Setur Marinas	Tüpraş	Yapı Kredi	Ford Otosan	Koçtaş	Opet	Tofaş	TürkTraktör	Other
Koç Group Environmental Council and Task Forces	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Annual Target Setting with Koç Holding Sustainability Team		●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Assigned Carbon Transition Leaders	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Sustainability Committee within the Company at the Operational Level	●	●	●	●		●	●		●	●	●			●	●	

Climate Governance

Remuneration

The remuneration principles for the board of directors and key executives of the Company are determined by the ''Koç Holding A.Ş. Remuneration Policy for the Board of Directors and Executive Management" ("Remuneration Policy"). Koç Holding discloses the total compensation paid in accordance with the Remuneration Policy in its financial and annual reports as well as in its annual ordinary general assembly meeting, where the Remuneration Policy is submitted to the approval of the shareholders together with the payments made thereof. The Remuneration Policy does not contain change in control provisions for the foregoing.

Koç Holding uses a structured Objective and Key Result (OKR) methodology to set, monitor, and evaluate employee performance. OKRs reflect the goals for the current term and define what is to be achieved, while Key Results (KRs) within these scorecards capture specific, measurable outcomes and measure the degree of success in achieving them.

Key Results (KRs) of Koç Holding's senior management, except for Business Group Presidents, could cover the entire Group or relevant Group Companies, as needed in line with the agenda of the related year. The KRs of Business Group Presidents, on the other hand, pertain specifically to the companies within their respective sectors. Similar to Koç Holding structure, Group Companies may incorporate climate related KR's in their related senior managers' (i.e. CEOs, Carbon Transition Leaders and/or function heads) scorecards as part of the annual performance evaluation process.

The CEO, CFO, Corporate Communications and External Affairs Director, Human Resources Director, and Sustainability Coordinator of Koç Holding have sustainability-related objectives in their Objective Key Result (OKR) scorecards. The OKR system is a performance tool that sets, communicates, and monitors goals in an organization so that all employees work together in one direction. The results at the end of the year make up the final performance of the individual from which base salary raises and bonus calculations are made. The performance of our employees is valued holistically by taking all objectives into account, and consequently, the percentage of monetary incentives linked to the management of environmental issues cannot be disclosed separately.

In this respect, for 2024, considering the entire senior management of Koç Holding, 8% of all KRs are related to climate concerns, whereas the figure for ESG issues is 9%. This corresponds to 18% of total Key Results in the CEO's scorecard are on ESG practices and the carbon transition. 20% of the CFO's KRs are climate related, whereas 30% of the KRs of the Corporate Communications and External Affairs Director is on climate and social sustainability. 5% of Human Resources Director's KRs are related to OHS and 8% of the Business Group Presidents' KRs are climate and energy transition related. Finally, 50% of the KRs in the scorecard of the Sustainability Coordinator of Koç Holding are on climate issues.

Moving forward, we will continue to work on this.

Climate Related Risk and Opportunity Management

Global and Sectoral Outlook

2024 has been a year of economic and geopolitical tensions with an increase in the frequency of extreme weather events.

The World Economic Forum's Global Risks Report 2025 highlights escalating environmental and social sustainability challenges, emphasizing their growing interconnection and potential to disrupt global stability over the next decade. According to the report, environmental risks continue to dominate the long-term global risk landscape: Over the next 10 years, 4 of the top 5 risks are environmental risks: extreme weather events, biodiversity loss and ecosystem collapse, critical change to Earth systems, and natural resource shortages. In addition, environmental degradation is closely linked to and cause of social sustainability issues such as involuntary migration, health insecurity and increasing societal polarization.

Regulatory Developments

Since more than 40% of Koç Group exports are to the EU and has operations within EU, Koç Holding closely monitors the EU Green Deal. 2024 has been a year impacted by the EU Competitiveness Compass Report, i.e. the Draghi Report, which calls for a bold, coordinated European investment strategy to boost competitiveness, accelerate the green and digital transitions, and strengthen the EU's economic resilience in the face of global challenges. As a consequence, the "omnibus" deregulation has been approved as of 2025.

In Turkey, the Climate Law has been released, which foresees the establishment of an Emissions Trading System for the country. Besides, the Water Efficiency Regulation has officially been released as of January 2025.

Energy Sector Outlook

The year 2024 has been a period in which the global economy remained resilient, inflation showed a downward trend, and global trade regained momentum. However, rising geopolitical tensions in the Middle East and risks to oil supply security have continued to create uncertainty in global energy markets. International oil trade has faced significant challenges due to factors such as sanctions imposed on Russia, regional wars, and attacks on maritime routes, making energy supply security one of the top priorities on the global policy agenda. Global oil demand increased throughout the year, particularly driven by growth in Asian markets, and a rise in demand for petroleum products was also observed in Turkey. Gasoline became the product with the highest demand increase. The global green transition process has accelerated, with rising sales of electric vehicles and growing emphasis on the future potential of hydrogen fuels. Moreover, the aviation industry is also undergoing significant transformation. Sustainable aviation fuels (SAF) are expected to make up a significant share of aviation fuel sales. These developments will accelerate the reduction in fossil fuel consumption, with diesel demand in particular, expected to be replaced by electric vehicles and hydrogen. This transformation in the energy sector, especially in transportation, will create a significant shift requiring new strategic planning and investments

Climate Related Risk and Opportunity Management

Automotive Outlook

Since 2024, the global automotive sector is undergoing a major transformation under the influence of environmental risks such as extreme weather events and scarcity of natural resources. During this period, China continues its global leadership with a 45% market share in electric vehicles, while hybrid and electric vehicles account for approximately 50% of total sales in the European Union. New regulations, such as Euro 7 emission standards and the EU Battery Regulation, have driven important steps toward promoting sustainable production in the sector. Although automotive production in Turkey has slightly decreased, there has been a significant increase in sales of electric and hybrid vehicles, which are becoming increasingly prevalent in the overall vehicle fleet. Issues in sourcing critical raw materials have negatively impacted production processes in the automotive sector, creating major pressure on the supply chain. In this context, practices such as recycling and digital battery passports are becoming increasingly important for environmental sustainability. Investments in autonomous vehicle technologies are rapidly increasing, particularly in major economies like the EU and the US, making this area one of the key drivers of transformation in the industry.

Finance Outlook

The financial sector has undergone major transformations through digitalization, artificial intelligence, and open banking practices. This transformation has made financial services more accessible and flexible, and has led to an increase in environmentally friendly investments through sustainable financing models. Moving forward, the financial sector is expected to accelerate strategic transformations, experience a rise in mergers and acquisitions, prioritize investor-friendly regulations, and focus on sustainable investments.

Sector-wise, investments in technology and the green transition have become the driving force of economic development. Industries have started to develop strategies aimed at reducing their environmental impact and have increasingly shifted toward green investments. Consumer behavior has become more conscious in the inflationary environment, with rising demand for sustainable products. Brands have focused on transparent communication and gaining consumer trust by fulfilling their environmental responsibilities. Moving forward, the green transformation is expected to gain further momentum, and sectoral strategies are anticipated to evolve with environmental responsibility at their core.

Climate Related Risk and Opportunity Management

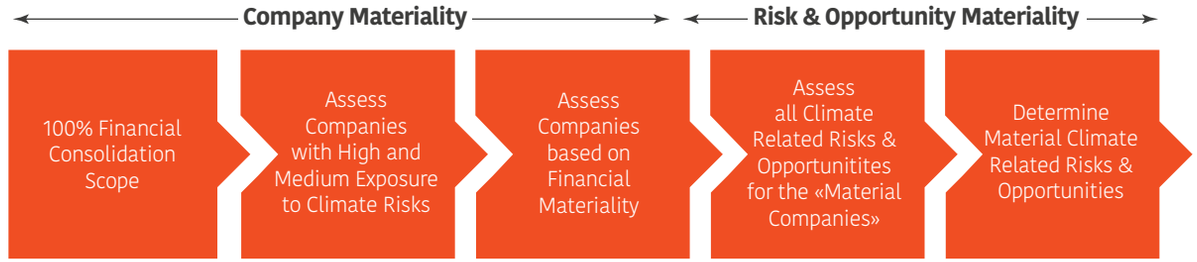
Climate Related Risk & Opportunity Management

Koç Holding's process for identifying, assessing, and managing climate related dependencies, impacts, risks, and opportunities is structured around the principles and recommendations of the ISSB/KGK. Our objective is to effectively manage the risks and capitalize on potential opportunities arising from climate change, ensuring that we provide regular and transparent disclosures to our stakeholders while extending these practices throughout our ecosystem. Our process, along with the results of the materiality assessment process is integrated into Koç Holding's company-wide risk management framework, ensuring that environmental issues are considered alongside other strategic risks. Environmental risk assessment is embedded within the broader multi-disciplinary risk management strategy, allowing for a holistic view of the organization's risk landscape. This integration is supported by the Carbon Transition Program, which functions as our main strategy for climate-related subjects, helping us achieve our low-carbon transition targets.

Basis of Preparation

Given Koç Holding's unique structure encompassing 31 Group Companies and approximately 300 subsidiaries, joint ventures, and financial investments, we follow a 2 phase approach:

1. Identifying the material subset of Group Companies and sectors,
2. Identifying the material climate related risks and opportunities.



Climate Related Risk and Opportunity Management

Company Materiality

The assessment process began with a coverage of 100% of the consolidated financial scope. Activity-based data and sector-specific dynamics were analyzed to identify key areas of environmental and financial relevance. By linking each Group Company and subsidiary to their Global Industry Classification Standard, Companies with high and medium exposure to climate risks was documented, based on Morgan Stanley Capital International Inc. (MSCI) and Trucost's analysis, taking into account sectors' **dependencies on environmental systems**. From a financial and operational materiality perspective, Companies with a share in combined revenues below the determined threshold percentage and/or lower share of operational assets were left out of the scope.

On the other hand, Companies with low exposure to climate risks were also assessed from a financial and operational materiality perspective. Those with a share in combined revenues above the determined threshold % as well as those with large number of site operations (e.g. bank branches) were also added to the "material companies" subset. As a result, four core sectors - **energy, automotive, consumer durables, finance** - were determined to be "climate-material" for in-depth evaluation based on their scale, exposure, and strategic importance. This corresponds to approximately 230 subsidiaries and joint ventures, corresponding to ~94% of combined revenues.

Our risks are not only categorized and quantified but also linked directly to our material topics and value chain impacts. Please refer to "**Materiality Assessment**" for detailed information on our material topics.

Risk and Opportunity Monitoring

Climate-related risks and opportunities are reviewed periodically within Koç Holding's broader risk evaluation processes. Identified topics are reviewed in light of new internal insights and relevant external developments (please see "**Global and Sectoral Outlook**", including evolving climate-related data, stakeholder expectations, and regulatory changes.

Work is ongoing to improve the consistency of monitoring practices across Group Companies. Current efforts aim to strengthen the reflection of sustainability-related considerations within existing risk tracking and reporting mechanisms. These practices are expected to evolve in alignment with updates to materiality assessments and Group-wide strategy processes.

Our risks are not only categorized and quantified but also linked directly to our material topics and value chain impacts.

Climate Related Risk and Opportunity Management

Risk and Opportunity Identification, Assessment, and Prioritization

Following the company materiality phase, the evaluation of climate-related risks and opportunities is initiated in line with the identified priority subsidiaries and joint ventures. As part of the process to determine the climate related material risks and opportunities for Koç Holding, risks and opportunities of priority subsidiaries and priority joint ventures are evaluated together.

Three-phase process began with the compilation of a climate-related risk and opportunity inventory from the subsidiaries and joint ventures identified as prior. In this context, a total of 188 risks and opportunities were determined, including 160 from subsidiaries and 28 from joint ventures.

In the second phase, the relevant subsidiaries and joint ventures report their most material climate-related risks and opportunities that reasonably expected to impact their future financial performance and cash flows using a standardized checklist submitted to Koç Holding. Accordingly, in 2024, a total of 63 climate-related risks and opportunities were reported by 7 subsidiaries and 5 joint ventures identified as prior previously. A total of 36 risks were reported, 22 from subsidiaries and 14 from joint ventures, respectively. Notably, 7 risk topics were reported by more than one company as among their significant climate-related risks. Likewise, a total of 27 climate-related opportunities were collected, 14 from Group Companies and 13 from Joint Ventures, and 5 opportunity themes were prioritized by more than one company. These recurring risk and opportunity themes highlighted common focus areas.

This approach enabled both the identification of company-specific risks and the aggregation of key themes into a centralized climate risk pool, supporting Holding-level analysis and consistency.

In the third and final phase of the process, the climate-related risks and opportunities submitted by the companies through the standardized checklist were assessed by the Koç Holding Sustainability Team using the Holding's climate-related risk and opportunity prioritization criteria. This evaluation also considered global trends, stakeholder expectations, and regulatory developments.

Climate Related Risk and Opportunity Management

This assessment enabled the identification of company-specific climate-related risks and opportunities based on their materiality at the Holding level. **The following ten criteria were used to evaluate the materiality of risks and opportunities at the Holding level:**

1. High recurrence across Group Companies
2. Potential to impact multiple sectors
3. Likelihood of occurrence within the next five years
4. Financial impact or value creation potential on EBIT
5. Impact on sectors with a relatively high environmental footprint
6. Impacts related to reputation and media perception
7. Impacts related to Occupational Health and Safety (OHS)
8. Impacts related to cybersecurity and data privacy
9. Exposure to physical climate risks in regions where facilities are concentrated.
10. Scalability or applicability across the Group

The first three criteria relate to the likelihood of a risk or opportunity, while the remaining criteria address magnitude. The likelihood and magnitude values that the Group Companies assign to their top risks and opportunities and report to the Holding are evaluated to determine the overall likelihood and magnitude for each risk and opportunity at the Holding level.

In addition to these criteria, a synthesis perspective was applied to capture forward-looking insights across the following three dimensions:

- Topics with high potential or sectoral prominence
- Alignment with the Group's global operational profile and evolving regulations
- The depth and breadth of exposure across the Group

In the strategic synthesis dimension, alignment of the risk or opportunity theme with emerging regulations (e.g., EU CBAM, ETS, Climate Law) was also considered an indicator increasing the likelihood of realization.

Climate Related Risk and Opportunity Management

Climate-related risks and opportunities that met these criteria to the highest extent were prioritized and consolidated in accordance with the principle of aggregation. As a result, the following risks and opportunities were identified as the most material climate-related topics that may reasonably affect Koç Holding's future financial performance and cash flows:

Risks:

1. Policy Risk – Carbon Pricing
2. Market Risk – Exposure of CBAM-linked Suppliers to Climate Risks
3. Reputational Risk
4. Physical Risk – Extreme Weather Events
5. Physical Risk – Water

Opportunities:

1. Technological Opportunities – Renewable Energy, Energy Efficiency, and Low-Carbon Product Opportunities
2. Resource Efficiency Opportunity – Water Recovery and Recycling

Details can be found in "**Climate Related Material Risks and Opportunities**"

Climate Related Material Risks & Opportunities

Time Horizons and Planning Alignment

We classify and assess transition and physical risks along with related opportunities across **short**, **medium**, and **long-term horizons**, considering their impact on various parts of our value chain, financial performance, and strategic decision-making.

- Short-term: 0-1 years
- Medium-term: 2-5 years
- Long-term: 6-10 years

These timeframes are aligned with Koç Holding's internal strategic and operational planning cycles. Short-term risks and opportunities are integrated into annual business plans and budgeting processes. Medium- and long-term perspectives are considered within the scope of capital investment decisions, transition planning, and longer-range sustainability targets.

All identified climate-related risks and opportunities are assessed in relation to these horizons, and financial impacts are evaluated accordingly based on their expected timing. This structure supports consistency in impact analysis and facilitates scenario-based strategic decision-making.

Scenario Selection and Climate Resilience

Scenario analysis helps us assess and evaluate our climate resilience against alternative future pathways. We assessed comparative climate-related risks analysis using globally recognized scenarios, covering both transition and physical risks. When determining the scenarios, we aimed to cover low, medium, and high emissions scenarios with differentiating impact on the planet and with differing realization levels of the Nationally Determined Contributions (NDCs).

For transition risks, in the energy sector, we utilized shadow carbon pricing of our Group Company Tüpraş, which has been established after reviewing multiple sources including Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC), WoodMac, Bloomberg, S&P Global, the World Bank, the International Energy Agency (IEA) and the International Carbon Action Partnership (ICAP). For the automotive, consumer durables and finance sectors, we utilized carbon price estimation by BloombergNEF for 2025 alongside the IEA's NZE, APS, and STEPS scenarios to evaluate policy and market risks.

For physical risks, we integrated IPCC's SSP pathways (SSP1-2.6, SSP2-4.5, and SSP3-8.5) and leveraged the World Bank Knowledge Portal CMIP, WRI Aqueduct and WWF Water Risk Filter tools to analyze region-specific climate projections, such as temperature rise and extreme weather patterns.

Selected scenarios and physical risks indicators are subject to change in the upcoming years. They will be reviewed with the Group Companies annually and may be updated as needed.

		BloombergNEF Carbon Price (2025)	Global (IEA) Scenarios
Transition Risk – Policy Risk	2.4-2.8°C	For all Scenarios Used	Stated Policies Scenario (STEPS)
	1.9-2.3°C		Announced Pledges Scenario (APS)
	1.3-1.5°C		Net Zero Emissions by 2050 Scenario

		IPCC AR6 Scenarios	Tools
Physical Risks	limit warming to 2°C	SSP1-2.6	World Bank Knowledge Portal CMIP Tool WRI Aqueduct WWF Risk Filter Suite
	limit warming to 3°C	SSP2-4.5 RCP4.5	
	exceed warming of 4°C	SSP5-8.5 RCP8.5	

Climate Related Material Risks & Opportunities

Climate Related Material Risks & Opportunities

Climate-related material risk and opportunities may be found below.

Risk/Opportunity Type		Risk/ Opportunity Primary Driver and Description	Likelihood and Magnitude	Impact	Time Horizon	Affected Value Chain
Transition Risk	Policy Risk	**Carbon pricing risk** Risk of policy action to promote low-carbon transition in direct operations or upstream value chain (e.g. through carbon taxes)	**Likelihood:** Virtually certain **Magnitude:** Medium	Potential increase in operational costs due to carbon taxes; possible profit margin decline if additional costs are not passed on to customers.	Medium Term	Own operations, upstream
	Market Risk	**Increased operational costs and pricing pressure risk** When suppliers to group companies face increasing carbon taxes, they may pass on these costs through higher priced products.	**Likelihood:** Very likely **Magnitude:** Medium-Low	Rising procurement costs from upstream suppliers; potential input price volatility and reduced cost competitiveness.	Short term	Upstream
	Reputation Risk	Increased scrutiny, stakeholder concerns and negative feedback from investors, lenders and insurers regarding climate-related risks	**Likelihood:** Likely **Magnitude:** Medium-Low	Reduced investor confidence, potential limitations in accessing capital, and reputational harm affecting market positioning.	Medium Term	Own operations, Upstream, Downstream
Physical Risk	Acute	**Water & Extreme Events** Increased frequency of extreme weather events or long-term changes in physical conditions	**Likelihood:** More likely than not **Magnitude:** High	Physical asset damage, operational interruptions, increased insurance premiums, and local supply chain disruptions.	Short Term	Own operations Upstream
	Chronic		**Likelihood:** Likely **Magnitude:** High			
Opportunities	Technology	**Financial opportunities arising from climate change** Company specific climate-related opportunities varying from resource efficiency, energy source, products/ services to market and resilience related ones.	**Likelihood:** Virtually certain **Magnitude:** Medium	New revenue streams from low-carbon products and services; improved cost efficiency through technology upgrades and energy transition.	Medium Term	Own operations, Downstream
	Resource Efficiency (Water Recycling & Recovery)	Expanding water recycling and recovery investments enables to reduce freshwater dependency and optimize cost and resource efficiency.	**Likelihood:** Very likely **Magnitude:** Medium	Lower long-term operational costs, reduced water-related risks, and improved sustainability performance metrics.	Medium to Long Term	Own Operations

Climate Related Material Risks

1. POLICY RISK

Rationale & Definition

Policy and regulatory risks refer to potential changes in climate-related regulations that may directly or indirectly impact Koç Holding's operations and financial performance. One of the most material risks is carbon pricing, including carbon taxes and emission trading systems (ETS). These instruments aim to accelerate the transition to a low-carbon economy by internalizing the environmental cost of carbon emissions. Countries are expected to implement stricter climate policies aligned with the Paris Agreement, leading to an expansion and intensify in global carbon pricing mechanisms. According to **International Carbon Action Partnership's Emissions Trading Worldwide Status Report 2025**, over 19% of global GHG emissions are currently covered by ETS, corresponding to 1/3 of the population. Furthermore, 11 ETS are currently under development and 9 more are under consideration.

EU ETS is already in place. Turkey is preparing to implement its Emissions Trading System (TR-ETS) as early as 2025-2026, expected to become fully operational in 2028 following the pilot, aligning with its Nationally Determined Contributions (NDCs) and the 2053 net-zero target. Additionally, Pakistan, Bangladesh, and Russia markets , where Arçelik and Aygaz have operations, are in preparation phases for carbon pricing mechanisms.

Approach

Koç Holding evaluates policy-related risks, particularly carbon pricing, through scenario-based financial modeling, which considers variable carbon pricing trajectories. The analysis is designed to assess the potential financial impact of carbon pricing on Scope 1 & 2 emissions across the Group. The modeling accounts for:

- Koç Holding's **carbon neutrality target for 2050**
- Group company-specific **emission reduction pathways**
- **Estimated carbon price by BloombergNEF** (2025–2030)
- **International Energy Agency (IEA) scenarios** for long-term projections (2035–2050)

Climate Related Material Risks

1. POLICY RISK (continued)

While the scenario-based carbon pricing analysis provides input for strategic and financial planning, it is subject to several limitations and uncertainties that should be considered when interpreting the results. These limitations reflect the evolving nature of climate-related policies and the complexity of estimating long-term financial impacts.
Uncertainties and Estimations:

- **Policy and market dynamics may shift:** Carbon pricing assumptions are based on currently available information but may change due to new regulations, political shifts, or global economic developments.
- **Carbon offsetting not included:** The model does not incorporate carbon offset mechanisms, as Koç Holding does not currently hold or utilize carbon credits.
- **Organizational boundary:** The analysis includes the Group Companies and Joint Ventures in consumer durables, energy, automotive, and finance sectors. Revenues of the subsidiaries in scope correspond to ~61% of Koç Holding's combined revenues and revenues of the joint ventures in scope correspond to ~33% of Koç Holding's combined revenues.
- **Emission pathway assumptions:** As some Group Companies do not currently have company-specific annual emission reduction pathways aligned with the 2050 carbon neutrality target, proxy decarbonization trajectories were developed by Koç Holding to model future emissions reductions, taking into account the interim and final targets.
- **TR ETS pilot period:** It is assumed that TR ETS will be launched in 2026 that 2026-2027 will be the pilot period, therefore with no carbon pricing applied.
- **Carbon pricing coverage and applicability:** While TR ETS is expected to be launched in the near term, no official carbon pricing has been defined to date. Therefore, in order to maintain consistency and comparability, carbon pricing assumptions also reflect international markets and overseas operations where applicable.
- **Electricity supply from Entek:** Internal supply from Entek to Group Companies is included in the scope. However, future changes in Entek's renewable/non-renewable supply mix could not be modeled due to limited visibility.

Scenario-Based Carbon Pricing Analysis

This scenario analysis has been updated in 2024. The assessment is built on three core climate action scenarios, incorporating estimated carbon prices by BloombergNEF short-term projections (2025-2030) and aligning with IEA projections for long-term modeling (2035-2050).

By integrating these internationally recognized pathways, Koç Holding ensures that assessments are robust and reflective of both national and global climate policies.

Climate Related Material Risks

1. POLICY RISK (continued)

These scenarios reflect potential carbon pricing trajectories and their expected financial impacts on Koç Holding operations:

Related Sector(s)	Scenario	Risk/ Opportunity Primary Driver and Description	Impact	Carbon Prices (USD/tCO_2e)*
Energy	**Shadow prices referenced by Koç Energy Group Companies**	Includes the assumptions of the Energy group in the financial evaluations of its investments	These values are drawn up by considering Türkiye's macroeconomic outlook and level of development, in addition to the source and guide documents set out within the scope of the carbon pricing tool. A carbon pricing mechanism is not yet in operation in Türkiye. A potential update to the shadow carbon price will be evaluated in line with the National Emission Trading System, which is expected to enter into force with a pilot period after the adoption of the Climate Law.	2028 - 25 2030 - 33 2035 - 38 2040 - 43 2050 - 48
Automotive, Consumer Durables, Finance**	**Stated Policies Scenario (STEPS)**	Reflects current policy settings based on sector-by-sector and country-by-country assessments of existing energy-related policies as of 2024. Includes planned manufacturing capacities for clean energy technologies.	Carbon pricing grows slowly due to weak policy enforcement, leaving a significant gap between current emissions and net-zero targets.	2028 - 72,2 2030 - 140 2035 - 145 2040 - 149 2050 - 158
	Announced Pledges Scenario (APS)	Assumes that all government and industry climate commitments, including NDCs and net-zero pledges, are met in full and on time. Targets universal electricity access and clean cooking solutions.	Carbon pricing increases at a moderate pace, impacting emissions-intensive industries and partially bridging the implementation gap.	2028 - 40 2030 - 40 2035 - 65 2040 - 110 2050 - 160
	Net Zero Emissions by 2050 Scenario (NZE)	Establishes a pathway for the global energy sector to reach net zero CO_2 emissions by 2050, without relying on reductions outside the energy sector. Ensures universal electricity and clean cooking access by 2030.	Carbon pricing rises sharply due to aggressive decarbonization measures, increasing operational costs for carbon-intensive industries.	2028 - 90 2030 - 90 2035 - 125 2040 - 160 2050 - 200

* For 2028-2030 **BloombergNEF** carbon price forecast; beyond 2030 **IEA** scenario forecast has been referenced.
** In addition to IEA, Group Company Yapı Kredi also considered NGFS as part of the risk's financial impact evaluation.

Climate Related Material Risks

1. POLICY RISK (continued)

Current Impact on Business Model and Value Chain

Rising carbon prices pose a risk of increased operational costs for emissions-intensive Group Companies, particularly in the energy and industrial sectors. This may reduce profitability if additional costs are not transferred to customers. Additionally, upstream suppliers facing higher carbon costs may increase input prices, indirectly affecting Koç Group companies operating in the consumer durables and automotive sectors. Over time, Scope 1 and 2 emissions costs may become a material consideration in business model planning, procurement strategies, and pricing decisions.These effects are more visible in Turkey, where regulatory developments are accelerating with the upcoming TR ETS, and in European markets, where Koç Group companies exporting products are indirectly exposed to EU carbon pricing via supplier dynamics and the CBAM framework.

In the short term, due to direct operational activities within EU, Group Company Arçelik is currently exposed to EU ETS. Additionally, consumer durables companies' direct export-oriented operations to the EU may face indirect exposure to carbon pricing through increased supplier costs or shifting customer expectations in the short term. Since Turkish Emissions Trading System (ETS) is still in a pilot stage and has not yet imposed binding financial obligations, energy operations do not currently face significant direct financial exposure.

The impact from the Joint Ventures and other financial investments stands out in the automotive sector. Our Joint Venture Ford Otosan is currently within the scope of EU ETS. The indirect exposure of the consumer durables sector to carbon pricing in the short term is also valid for the automotive sector.

Anticipated Impact on Business Model and Value Chain

National and international carbon pricing mechanisms are expected to expand—such as the anticipated launch of Turkish Emissions Trading System (TR ETS) with stronger carbon pricing signals potentially emerging closer to 2035 and tightening of the EU ETS free allowances. Additionally, Pakistan and Bangladesh markets, where Arçelik and Aygaz operate, are in preparation phases for carbon pricing mechanisms. Therefore, emissions-related costs are expected to grow over the next 3-10 years. This is likely to impact business model planning, long-term procurement strategies, and product pricing, particularly for Group Companies that rely on fossil fuel-based energy or carbon-intensive suppliers. Carbon pricing may also trigger reallocation of capital investments toward low-emission technologies and facilities.

More specifically for Koç Group, the impact of carbon pricing is anticipated to rise more for the energy sector over the medium and long term. Once Turkey's national system matures and free allowances tighten, energy businesses may face increasing carbon cost, particularly if emission intensity remains high. As regulatory mechanisms strengthen and free allowances are reduced, carbon pricing exposure is expected to shift from indirect to direct, increasing the financial relevance of carbon liabilities. The finance sector may increasingly be expected to incorporate climate-related considerations into capital allocation, disclosures, and stress testing. The evolving carbon pricing landscape may indirectly influence the regulatory and reputational environment in which banks operate.

Climate Related Material Risks

1. POLICY RISK (continued)

Strategy Integration and Climate Resilience
The scenario-based carbon pricing analysis feeds directly into Koç Holding's **climate risk management and decarbonization strategies**, including the Carbon Transition Program. Results inform both f**inancial planning**—such as internal cost of carbon modeling and capital allocation decisions—and operational decision-making, including energy sourcing strategies and emissions abatement investments.

The analysis also provides insights for long-term strategy development by assessing potential carbon pricing impacts across multiple scenarios. It contributes to portfolio-wide decision-making by incorporating Group-wide emission reduction pathways and a consolidated outlook for climate-material Group Companies. This approach helps align the Group's strategy with its 2050 carbon neutrality target and enhances climate resilience across different policies and market trajectories. We focus on renewable energy solutions, energy efficiency measures, sustainable product stewardship and supply chain decarbonization . Moreover, Koç Group companies in the energy, automotive, consumer durables, and finance sectors follow their own sectoral pathways and reflect it in their industry dynamics. Accordingly, the energy industry plans its transition with a focus on well-balanced, diversified, and clean energy portfolio by manufacturing different types of energy such as zero-carbon electricity, green hydrogen, sustainable aviation fuels, and biofuels within an integrated business model. The transition of the automotive sector relies on increased weight occupied by electric vehicles and vehicles that use alternative fuels in the product portfolio and the transformation of the supply chain.
For the consumer durables sector, low carbon transition entails production of energy-efficient products, reduction of emissions generated during use and transformation of the supply chain. Finally, Yapı Kredi, our Group Company in the finance sector, targets to channel its capital to low-carbon initiatives and to transform its portfolio in line with clean energy investments.The successful implementation of our sectoral transition pathways is closely tied to the timely maturation and feasibility of low-carbon technologies such as green hydrogen, which is assumed to be more scalable in the NZE scenario. This dependency is also evaluated among our **emerging risks**.

More information can be found in "**Transition Pathways**" section.

Koç Holding Venture Capital Investment and the venture capital firms established by Group Companies including Tüpraş Ventures and Driventure seek to invest and/or establish partnerships with the start-ups that can help realize the emission reduction pathways.

Trade-offs are also accounted for between negative and positive environmental impact regarding the same investment. For example, while green hydrogen is a clean energy that contributes to emission reductions, its high water need is recognized as a trade-off requiring careful monitoring as part of water stewardship efforts . Similarly, the clean energy transition increases demand for critical minerals. Arçelik established two Waste Electrical and Electronic Equipment (WEEE) Recycling Plants in Turkiye since 2014, being the only home appliance manufacturer in Europe to have its own WEEE Recycling Plants. Ford Otosan built a prototype by re-purposing scrap and post-consumer EV batteries in Energy Storage Systems, the first within the Ford Motor Company System.

A detailed overview of the technological and innovative solutions supporting risk mitigation can be found in the **"Technology and Innovation for Climate"**.

Climate Related Material Risks

2. MARKET RISK

Rationale & Definition

Market risks arise from climate-related shifts in supply and demand, affecting revenues, cost structures, and competitiveness. As carbon pricing mechanisms evolve, suppliers of Koç Group companies face increasing cost pressures, particularly in sectors with high embedded emissions. These rising costs may be passed down the supply chain, leading to fluctuations in raw material, commodity, and carbon prices.

Approach

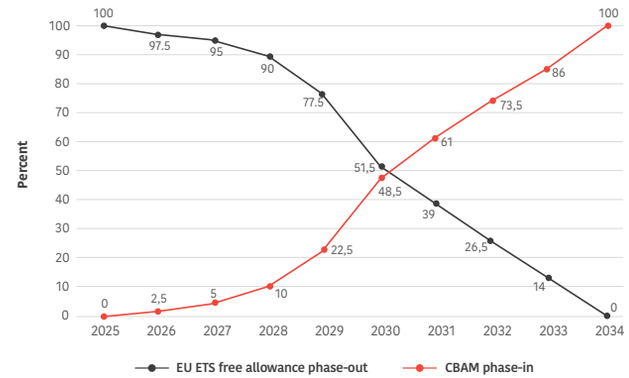
Koç Holding assesses climate-related market risks through a combination of supplier-level exposure analysis and commodity-based cost modeling. To anticipate these challenges, we evaluate the potential impact of CBAM-related risks, Group Companies Arçelik, Aygaz and Otokar along with Joint Ventures Ford Otosan and Tofaş are within the reporting scope of CBAM. However Group Companies Aygaz and Otokar, and Tofaş (as JV) are not financially impacted because they do not export finished goods nor have a manufacturing facility within Europe. For that reason, we focus on Arçelik and Ford Otosan's European operations over the 2025-2030 period. Revenues of the companies in scope correspond to ~28% of Koç Holding's combined revenues. The analysis examines sectoral risk intensities and carbon-related cost passthroughs based on benchmark product categories. The analysis scope focuses on steel and aluminum procurement. Cost fluctuations under evolving CBAM coverage are modeled using projected embedded emissions, estimated EU carbon prices, and commodity import volumes.

Uncertainties and Estimations:

While this approach provides a basis for anticipating market disruptions, some limitations apply:

- Not all **benchmarking studies related to emission factors at the raw material and product level** have been finalized, which affects precision in sectoral exposure modeling.
- CBAM is a component of the broader EU ETS, and the analysis assumes a **fixed EU carbon price** while adjusting for **changing free allowance coverage** and **estimated reduction targets disclosed by associations such as European Steel Association (EUROFER)**, especially for non-EU suppliers.
- The analysis is based on data provided by Group Companies, and as it extends to 2030, it incorporates **growth projections**, which introduces a degree of uncertainty regarding volume and emissions intensity.
- The analysis takes into account the quantification of the direct costs resulting from CBAM tariffs and does not consider the indirect costs, which are difficult to quantify.
- It is assumed that no green steel procurement will take place before 2030.
- Assuming that TR ETS pilot period will end at the end of 2027 and that TR ETS price will be effective starting 2028, TR ETS price is deducted from EU ETS price, to avoid duplications.

EU ETS free allowances phase-out and CBAM phase-in



https://www.researchgate.net/figure/EU-ETS-free-allowance-phasing-out-and-CBAM-phasing-in-over-2025-2034-9_fig1_378877131

Climate Related Material Risks

2. MARKET RISK (continued)

Current Impact on Business Model and Value Chain
Market-related climate risks can lead **to increased procurement costs**, particularly for energy- and emissions-intensive raw materials CBAM-related goods. These effects are particularly evident in **European export operations**, where competitiveness is increasingly influenced by supplier decarbonization maturity.

Specifically for Koç Group, such risks are especially relevant to manufacturing-intensive Group Companies in the consumer durables sector, where supplier cost structures directly impact product pricing and margin optimization. Arçelik, with direct operations within EU and with upstream exposure in emissions-intensive sectors such as steel and aluminium are more impacted in the short term. This cost arises from direct carbon-related charges (e.g. CBAM tariffs). For the joint ventures, the risk is relevant for the manufacturing-intensive automotive sector. Ford Otosan also has direct operations within EU and is subject to upstream exposure from steel and aluminium.

Anticipated Impact on Business Model and Value Chain
In the medium to long term, CBAM-related compliance and cost pressures are expected to intensify as the mechanism transitions from reporting-only to full financial liability. In turn, this can lead to supply chain reconfiguration, changing pricing volatility, market competitiveness, consumer price sensitivity, and technology-related innovation pressures. While the impact scale may be higher for Group Company Arçelik and Joint Venture Ford Otosan, which have direct operations within EU, the impact scope is anticipated to be broader, covering the automotive sector with high export rate. Moreover, indirect effects are anticipated to arise due to suppliers' exposure to increasing tariffs and possibility of transferring it along the value chain in case they do not align with decarbonization benchmarks. This may imply margin compression and diminished competitiveness for Group Companies, independent of having direct operations within EU. For Yapı Kredi, Group Company in the financial sector, regulations such as CBAM may weaken customers' competitiveness and repayment performance, leading to an increase in default risk and credit losses.

Strategy Integration and Climate Resilience
Koç Holding integrates market risk analysis into its **supply chain and procurement risk management practices.** Findings from CBAM-related evaluations contribute to sourcing strategies and supplier engagement processes focused on carbon-related risks and cost pass-throughs further supported by structured supplier governance mechanisms.

As part of the **Supplier ESG Guide** and the ongoing **Supplier ESG Initiative**, Koç Holding monitors and evaluates its supplier base on environmental and climate-related criteria. Additionally, 475 suppliers have been classified as carbon-strategic, operating across various geographies.Among these, we have identified the steel, aluminium suppliers, which are highly relevant to Koç Holding's market risk exposure due to their carbon intensity and CBAM relevance.

Koç Holding uses this supplier mapping to enhance risk assessments and proactively engage with suppliers in carbon-intensive sectors, encouraging alignment with decarbonization expectations. As of 2024, Arçelik has **supplier-specific climate targets**, including commitments to increase the share of suppliers with emission reduction roadmaps, improve supplier data quality, and expand the scope of supplier climate assessments. This structured approach enables **forward-looking planning** and strengthens **supply chain resilience** against evolving regulatory and market dynamics. As part of the Supplier ESG Initiative, target setting coverage is aimed to expand. Yapı Kredi, one of our Group companies, aims to integrate its sectoral decarbonization priorities into its strategic credit planning and resource allocation decisions.

Climate Related Material Risks

3. REPUTATION RISK

Rationale & Definition

Reputation risks arise from stakeholder perceptions and expectations related to a company's climate performance, disclosures, and alignment with the low-carbon transition. As investors, regulators, customers, and financial institutions increasingly integrate sustainability and climate criteria into their decision-making, inconsistencies or gaps in climate-related performance and communication may lead to reputational harm and in turn, result in financial losses, harm long-term stakeholder relationships, business development opportunities, and market positioning. For Koç Holding, these risks are especially relevant as the Group operates across sectors with high public and stakeholder visibility, including energy, automotive, manufacturing, and finance.

Approach (including judgments, uncertainties, and errors)

We approach reputational exposure from multiple dimensions. For all Group Companies, we follow a value chain approach, taking into account the suppliers, distributors and customers that we conduct business with. Stakeholder surveys and media screenings are other tools that we utilize to measure reputational risk.

We closely monitor the emerging regulations primarily through the Environment Council Task Forces to assess their impact on Koç Group Sectors and value chains.

Reputational risk is also closely tied to investor expectations, ESG ratings, and disclosure transparency. Publicly listed companies are more frequently included in ESG indices, making their climate-related performance more visible and subject to investor scrutiny. ESG ratings serve as a proxy for the maturity and credibility of a company's sustainability and climate transition performance, directly influencing access to capital and investment decisions. Given this context, Koç Holding conducted a reputation risk screening based on transition-related indicators commonly used by ESG rating and investment analysts. The screening prioritized the following publicly listed Koç Group Companies, whose ESG scores are publicly available and comparably benchmarked: Koç Holding, Aygaz, Arçelik, Otokar, Tüpraş, and Yapı Kredi. It also included the following Joint Ventures: Ford Otosan, Tofaş, TürkTraktör. Revenues of the subsidiaries in scope correspond to ~57% of Koç Holding's combined revenues and revenues of the joint ventures in scope correspond to ~22% of Koç Holding's combined revenues.

The analysis focused on the following indicators:

- **S&P Carbon Global Standards Impact Classification**
- **Carbon Intensity Decile Ranking** (Scope 1 & 2, market-based)
- **Scope 1 & 2 GHG Transition Pathway** (indicates whether Group companies have SBTi approved reduction target)
- **Climate Strategy Score**, based on S&P Global ESG Scores where available

Current Impact on Business Model and Value Chain

Reputation-related climate risks throughout the value chain may influence stakeholder trust, investor perception, access to capital, and brand preference. Currently, as a consequence of our carbon-neutral target, science based targets by Group Companies Arçelik and Yapı Kredi as well as Joint Venture Ford Otosan, adherence to environmental regulations, improving ESG transparency, and due diligence in line with Supply Chain Compliance Policy across the Group, we currently do not face material climate related reputation risks.

Climate Related Material Risks

3. REPUTATION RISK (continued)

Anticipated Impact on Business Model and Value Chain
As global climate disclosure frameworks and investor expectations continue to tighten, reputational risks are likely to intensify.

Energy Group Companies operating in carbon-intensive sectors may face higher expectations from investors regarding emissions reduction, media exposure risks, or market access limitations if climate-related strategies and performance are not aligned with peer benchmarks or regulatory trajectories. This may influence valuation, partnership opportunities, and talent attraction, particularly for energy Group companies.

For those Companies with already established science-based targets, a perceived misalignment with net-zero expectations or insufficient climate disclosure maturity may result in increased scrutiny, negative media coverage, or investor engagement pressure. Financially, it may reduce access to green financing and increase borrowing costs.

Regulatory developments such as the Corporate Sustainability Due Diligence Directive (CS3D) are anticipated to increase reputational exposure—particularly for Group Companies with high export dependency to EU, such as consumer durables and automotive companies. In this context, CS3D represents not only a compliance risk but also a reputational catalyst driven by stakeholder expectations regarding human rights and climate responsibility. These risks are especially critical for Koç Holding, since more than 40% of the exports are to the EU.

As value chain accountability becomes more prominent under frameworks like CS3D, supplier-related reputational risks may trigger scrutiny not only from customers and regulators but also from investors. Suppliers that demonstrate poor environmental or social performance such as inadequate environmental management, human rights violations, or non-compliance with relevant regulations can adversely affect the reputation and stakeholder trust of Koç Group Companies.

Besides CSDDD, particularly for the automotive sector, failure to comply with new supply chain sustainability regulations (e.g., Battery, Deforestation, CSDDD) may lead to customs clearance issues, production disruptions, financial losses, and reputational damage due to non-compliance, inadequate supplier due diligence, or human rights violations across the value chain.

For Yapı Kredi, Group Company in the finance sector, reputational risks stemming from environmental and social issues are monitored through predefined sector norms and performance indicators. Financial exposure may result from increased scrutiny, lending limitations, credit transactions in emissions-intensive sectors, or reputational damage linked to sensitive sectors such as mining, thermal power, and water infrastructure.

Climate Related Material Risks

3. REPUTATION RISK (continued)

Strategy Integration and Climate Resilience

To address reputational risks stemming from transition performance and disclosure maturity, Koç Holding incorporates ESG rating feedback, gap analyses, and peer benchmarking into its sustainability planning processes. As part of this effort, several Group Companies have set specific climate action targets to strengthen their transition narrative. These include developing **science-based emissions reduction targets**, enhancing **climate disclosure practices**, and aligning with global ESG frameworks.

Furthermore, Koç Holding's strategic response to reputational risks includes 3rd party due diligence aligned initiatives, enabling early identification of vulnerabilities across markets and stakeholder groups. This approach supports compliance readiness for emerging regulatory frameworks such as the Corporate Sustainability Due Diligence Directive (CSDDD), while also aligning with evolving customer expectations around sustainability performance and transparency.

These risks may further planned to be mitigated through consistent progress towards decarbonization targets, cross-cutting sustainability initiatives centrally led by Koç Holding such as the Supply Chain Sustainability and Water Stewardship initiatives, and increasing alignment with upcoming regulations. Such efforts enhance resilience to reputational risks by demonstrating accountability, transparency, and proactive management across the value chain.

Climate Related Material Risks

4. PHYSICAL RISK

Rationale & Definition

Physical climate risks refer to the potential adverse impacts of acute weather events and chronic climate trends on the operations, assets, and supply chains of Koç Holding and its Group Companies. These include increasing frequency and intensity of extreme heat, flooding, hurricanes, water stress, and long-term sea level rise. Among these risks, **water-related physical risks**, such as water scarcity and flooding, represent a material concern given their direct effect on industrial operations and regulatory exposure.

Approach (including judgments, uncertainties, and errors)

We conducted a physical risk assessment across 84 locations of 9 Group companies, covering both domestic and international sites in the consumer durables, automotive, and energy sectors.

The analysis is grounded in climate scenario modeling, based on the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). Three IPCC-aligned Shared Socioeconomic Pathways (SSPs) were used to reflect a range of potential global warming trajectories:

- **SSP1-2.6:** A low-emissions scenario aiming to limit global temperature rise to below 2°C.
- **SSP2-4.5:** A moderate-emissions scenario that assumes policy continuity and results in approximately 3°C warming.
- **SSP5-8.5:** A high-emissions scenario where limited climate policy implementation may lead to warming beyond 4°C.

These scenarios enable forward-looking risk identification and allow for the integration of climate-related considerations into business planning and strategic resilience efforts, as required under TSRS 2.

Climate Related Material Risks

4. PHYSICAL RISK (continued)

Tools and Data Sources

To ensure location-specific and science-based assessments, the following globally recognized data platforms and tools were utilized:

- **World Bank Climate Change Knowledge Portal (CCKP Tool):** Used to obtain downscaled projections on temperature increases, precipitation variability, and extreme weather frequency under selected SSPs.
- **WRI Aqueduct:** Employed to assess baseline water stress, drought risk, flood hazards, and seasonal water variability for facilities and key geographies.
- **WWF Water Risk Filter:** Used to evaluate operational exposure to chronic water risks, such as long-term water scarcity, and to assess risks related to local hydrological and ecological conditions.

These tools provide quantitative and qualitative data, enabling the classification of risk levels at the facility level across multiple climate futures.

- Hot days (35°C)
- Water stress
- Flooding
- Heat* and cold waves
- Wildfire
- Sea level rise

IPCC AR6 Scenarios	Key Assumptions	Expected Physical Risk Impact
SSP1-2.6	Assumes aggressive decarbonization, rapid renewable energy expansion, and sustainable economic policies, limiting warming to below 2°C by 2100.	Minimal impact on water stress, heat waves, and coastal flooding. Lower probability of extreme weather events, reducing financial risks related to infrastructure adaptation.
SSP2-4.5	Assumes gradual climate policies, leading to warming of 1.2-3.5°C by 2100. Economic and environmental trade-offs slow down global mitigation efforts.	Increased exposure to water stress, heat waves, and extreme flooding events. Higher adaptation costs due to more frequent and severe disruptions in key operational areas.
SSP5-8.5	Assumes business-as-usual emissions, with industrial growth and minimal climate policies, leading to warming exceeding 4°C by 2100.	Extreme climate-driven disruptions, including longer heat waves, severe water shortages, and intensified hurricanes. High infrastructure damage risks, rising operational costs, and potential relocation requirements for high-risk coastal locations.

* Heat waves are understood to be periods of unusually hot and dry or hot and humid weather that have a subtle onset and cessation, a duration of at least two-three days, usually with a discernible impact on human and natural systems. (Source: World Bank CCKP Glossary)

Climate Related Material Risks

4. PHYSICAL RISK (continued)

Sectoral and Geographical Insights

Hot Days over 35°C

Consumer Durables

Arçelik's facilities in Southeast Asia, Asia and Africa represent the most climate-sensitive geographies in terms of extreme heat events consistently show very high exposure to hot days exceeding 35°C across all scenarios and timeframes.

This geographic concentration of risk highlights the need for climate adaptation efforts specifically in non-European manufacturing hubs.

Energy Sector

Under low emission scenarios, high-risk areas are observed primarily in Turkey's eastern and southern regions.
In the short term (2025–2030), Entek's facilities show limited high-risk classification. However, toward 2050, rising temperatures under SSP4.5 and SSP8.5 scenarios result in increasing exposure for hydropower plants in Central Anatolia and southern Turkey. Southeastern Turkey-based refineries are already exposed to very high risk. Under more severe scenarios, facilities located in the Aegean region also shift into high-risk categories, indicating a progressive westward movement of risk exposure.

Heatwave

A similar pattern is observed for heatwave exposure, with Consumer Durables and Energy again leading in risk concentration. Independent of the scenario, % of facilities exposed to high and very high heatwave risk increases over time until 2050 vs. 2025 and this % is >85% in all scenarios.

Automotive

Automotive Group Companies currently show none or minimal exposure in 2025 or 2030, but are expected to encounter increasing risk by 2050 even under low emission pathways (SSP1-2.6). As climate change progresses, both intensity and duration of hot periods increase, causing sharp rises in heatwave risk by 2030 and 2050.

Wildfire

By 2030, very high wildfire risk focuses on South Africa under the SSP4-4.5 scenario. By 2050, >90% of the analyzed facilities are exposed to high and very high wildfire risk, except for the SSP1-2.6 scenario, which assumes <2°C warming.

Sea Level Rise

Sea Level Rise is a low risk for Koç Group operations both on absolute and relative terms. The risk pertains to the facilities in Southeast Asia.

	Hot Days			Heat wave			Cold wave			Wildfire			Sea Level Rise		
	Current	2030	2050	Current	2030	2050	Current	2030	2050	Current	2030	2050	Current	2030	2050
SSP1-2.6	18%	20%	26%	62%	50%	**87%**	2%	0%	0%	1%	27%	27%	n.a.	1%	1%
SSP2-4.5	18%	18%	26%	44%	49%	**88%**	4%	0%	0%	27%	27%	**95%**	n.a.	2%	4%
SSP3-8.5	18%	19%	33%	44%	**70%**	**99%**	0%	0%	0%	27%	**70%**	**95%**	n.a.	5%	5%

Climate Related Material Risks

4. PHYSICAL RISK (continued)

As Koç Holding, we also conducted a comprehensive water risk analysis in 2023 for 2030 and 2050, evaluating water risks across 84 locations in 9 companies. We classified assets based on a low to very high risk scale to evaluate their significance. The risk assessment conducted in 2023 was updated in 2024 for 84 facilities of 9 companies operating in the energy, automotive, and consumer durables sectors across 14 countries. The assessment was carried out based on optimistic, usual, and pessimistic scenarios for the 2030 and 2050 projections. Basin-based risks were assessed using the World Resources Institute's Aqueduct and WWF's Water Risk Filter tools, focusing on water scarcity, flooding, and water quality dimensions. In addition to basin-based risks, a weighted total risk score was calculated for each facility by also considering operational risks, reputational risks, and regulatory risks based on facility-level water withdrawal data. As a result, it was 42% of our global facilities and 67% of Turkey facilities are currently located in high and very high **water-stressed regions. 38% of our global facilities and 23% of our facilities** in Türkiye are currently located in high and very high flood risk regions. Facilities exposed to both drought and flooding risks are projected to increase across our global operations by 2030.

Based on the results of qualitative assessment, we determined our "priority basins". The basins included in the assessment were prioritized based on the following criteria:

- Basins classified as extremely high and high risk
- Basins where facilities with higher operational water withdrawal are located
- Basins where multiple facilities of our Group Companies are present
- Basins listed among the CEO Water Mandate's Global 100 Priority Basins

As a result, we determined our priority basins and performed a financial impact analysis for the priority basins to quantify potential impacts. To quantify the impact, we analyzed water projections using basin-specific drought management plans developed by the Ministry of Environment, Urbanization, and Climate Change and working with the Group Companies, derived its impact on production capacity. By incorporating water budgets and medium-term projections, we quantified financial risks and strengthened our resilience strategy.

	% of Facilities in high and very high water-stressed regions		% of Facilities in high and very high flooding regions	
	Global	Turkey	Global	Turkey
2025	42%	67%	38%	23%
2030	50%	77%	40%	23%

	# of Facilities subject to	
	Water Scarcity	Flooding
Low	9	21
Low-Med	11	18
Med-High	34	14
High	14	24
Ext High	16	7

According to the water risk results, which include many of the indicators mentioned, the asset classifications are as follows.

	# of Facilities subject to Water Risk	
	2025	2030
Low	0	0
Low-Med	3	0
Med-High	0	3
High	16	13
Ext High	4	7

Climate Related Material Risks

4. PHYSICAL RISK (continued)

Current Impact on Business Model and Value Chain
Physical climate risks can cause direct damage to assets, disrupt operations, increase insurance costs, and affect supply chain continuity. The most material exposures within Koç Holding relate to **water stress and flooding**, which pose challenges for manufacturing continuity, cooling processes, and raw material availability. The most significant exposures are observed in facilities located within **water-stressed or flood-prone basins**. Water pollution may cause the Companies to make additional investments to treat the incoming water.

Between 2025 and 2030, water-related risks are expected to result in operational financial losses. These projections account for water availability in prioritized basins mentioned above for selected years. For the consumer durables sector, water is also expected to have an impact on the downstream value chain.

Anticipated Impact on Business Model and Value Chain
The intensification of extreme weather events under selected scenarios is expected to further increase exposure to **heatwaves, flooding,** and **seasonal droughts**, especially in regions with limited adaptation capacity. As water availability becomes increasingly constrained, Group Companies with **water-intensive processes** such as energy production, industrial manufacturing and hydroelectric power plant operations may face operational delays. Furthermore, regulatory pressures around water withdrawal and pollution may impose additional compliance costs, and failures in adaptation could lead to **reputational risks** in environmentally sensitive regions. Same issues hold true for the suppliers as well, which may cause supply chain disruptions.

Strategy Integration and Climate Resilience
Koç Holding integrates physical risk assessments into its broader climate resilience and sustainability planning efforts. Insights from site-level exposure analyses are used to inform mitigation plans, operational planning, and long-term adaptation strategies.

In particular, water-related risks are addressed through an integrated approach that emphasizes **sustainable water use and circularity**. Across the Group, efforts are underway **to prepare site-specific mitigation plan**s, supported by initiatives to **increase recycling and recovery rates** in water-intensive operations. Tüpraş evaluates alternative water sources such as greywater recovery. In 2024, Tüpraş recovered 73% of its total water withdrawal as greywater. Several Group Companies have set targets to enhance water reuse and improve water efficiency. Arçelik aims to reduce water withdrawal per product by 25%, water discharge per product by 25%, and increase water recycling and reuse ratio by 35% in all its manufacturing facilities by 2040 (Base Year: 2024). Ford Otosan targets a 40% reduction in freshwater use per vehicle by 2030 through recovery projects at its Gölcük, Yeniköy, and Eskişehir plants.(Base Year: 2019) More information can be found in "**Water Stewardship**" section.

We established "Water Stewardship" Task Force under the Koç Group Environmental Council. Koç Holding also launched "Water Stewardship Initiative" across the Group to manage water risks from a holistic perspective, taking into account both the operations and the basins and shared water challenges

This Group-wide perspective positions water management not only as a risk to be mitigated, but also as a strategic opportunity to drive **operational efficiency**, **regulatory compliance**, and **environmental performance improvements** across Koç Holding's value chain.

Climate Related Material Opportunities

Climate change presents both challenges and opportunities for businesses. By leveraging technology and resource efficiency, we aim to mitigate risks while unlocking financial and operational benefits. Our approach focuses on two key areas: low-carbon technologies to reduce emissions and water efficiency to address drought risks.

Rationale & Definition

Investing in low-carbon solutions enables emission reductions through energy transformation, circular production systems, and sustainable product innovation, helping to manage regulatory and market risks. At the same time, water recycling and recovery initiatives support climate resilience by minimizing exposure to water scarcity and operational disruptions, leading to cost savings and long-term sustainability.

The two primary opportunities were considered significant in terms of both likelihood and severity due to frequent recurrence among energy- and production-intensive companies. Another frequently reported subject across various sectors is access to sustainable finance which was assessed as medium in likelihood and medium in severity, due to the relatively lower EBIT contribution of the companies reporting this opportunity. Nevertheless, sustainable finance acts as a strategic enabler that both increases the likelihood of realizing climate-related opportunities and reduces the impact of risks for Koç Holding.

1. TECHNOLOGICAL OPPORTUNITIES ARISING FROM CLIMATE CHANGE

Technological advancements in resource efficiency, energy transformation, and sustainable product innovation create financial opportunities in the transition to a low-carbon economy. Investing in low-carbon technologies and circular production systems enhances cost efficiency, operational resilience, and long-term competitiveness.

We monitor the pace of transformation across our companies by assessing taxonomy-aligned capital and operational expenditures (CapEx, OpEx) and revenue streams. This allows us to track the financial impact of climate-related opportunities and guide strategic investments.

We established a task force under the Koç Group Environmental Council to mitigate the impacts of products and services offered in various sectors, identify the low carbon products in line with national and international standards and identify requirements and related reporting criteria.

To explore how Koç Group companies leverage technology and innovation to create sustainable products, visit the **“Technology and Innovation for Climate”** section.

Climate Related Material Opportunities

1. TECHNOLOGICAL OPPORTUNITIES ARISING FROM CLIMATE CHANGE (continued)

Approach (including uncertainties, judgments and errors)
Group Companies in scope* are Arçelik, Aygaz, Entek, Otokar, Otokoç, Tüpraş, Yapı Kredi. The Joint Ventures in scope are: Ford Otosan, OPET, Tofaş, TürkTraktör. These Companies have manufacturing/operational facilities with relatively large impact, except Yapı Kredi in the finance sector. Yapı Kredi was included because it has a wide network of branches across the country and due to the rapid transformation of sustainable finance. Time frame is 2025-2030.

To be able to quantify the financial investments from technological opportunities arising from climate change, we considered both operational opportunities (renewable energy, energy efficiency, energy savings initiatives) and product opportunities (low-carbon products). For product opportunities, we limited the study to "low-carbon" and for low-carbon product definition, we refer to EU Taxonomy as the framework basis. The analysis includes uncertainties with regards to the approval of planned financial investments as well as the cost of switching to lower emission technologies.

Koç Holding sustainability and finance teams conducted one-on-one interviews with all Group Companies in scope to align on the scope of the work before collecting relevant data. Duplicate data regarding Group-wide renewable energy project, which was led by Entek, was eliminated.

Current Impact on Business Model and Value Chain
This opportunity helps mitigate our carbon pricing risk, detailed under "Policy Risk". Through investments in low-carbon technologies, energy efficiency, and circular product design, we aim to enhance the resilience of our operations, improve cost-efficiency, and reduce our exposure to transition risks such as carbon pricing and the EU's Carbon Border Adjustment Mechanism (CBAM).

Current opportunity impact we realize is due to the investments made as part of "Group-wide Renewable Energy Project", which became operational in some Companies in 2024. This project in general pertains to the operations in Turkey and is being led by Entek, aiming to increase the share of renewable energy in self-consumption of electricity. Also, the benefits realized from energy efficiency investments since 2023.

These efforts support our carbon-neutrality targets by lowering Scope 1 and 2 emissions through operational improvements. At the same time, our low-carbon product initiatives—particularly in the mobility and white goods sectors—help reduce Scope 3 emissions generated during product use.

Anticipated Impact on Business Model and Value Chain
When compared with the current investments and impact, more renewable energy and low-carbon product investments are anticipated to occur up until 2030. Therefore the anticipated benefits in the medium term are expected to be higher. Given the long-term benefit creation nature of renewable energy and low-carbon product investments, we anticipate that both cost and emissions savings realization will expand beyond 2030.

We see these opportunities not only as enablers of climate risk mitigation, but also as levers for value creation. By aligning with international frameworks such as the EU Taxonomy and prioritizing innovation across our value chain, we strengthen our long-term competitiveness and improve access to green finance. These outcomes also help reinforce our reputation, investor confidence, and customer loyalty

Strategy and Financial Planning Integration
The CAPEX and OPEX investments towards realizing this opportunity occurs in line with the transition pathways established as part of the Carbon Transition Program, and/or science based targets of Group Companies Arçelik and Yapı Kredi as well as Joint Venture Ford Otosan. The product opportunities are related to R&D investments and lead to additional revenues. In 2024, ~7.5 billion TL CAPEX was spent on renewable energy and energy efficiency investments across climate-material Koç subsidiaries and joint ventures.

"Product Stewardship" Task Force under the Koç Group Environmental Council works to further mitigate the impacts of products and services offered in various sectors, identify the low-carbon products in line with national and international standards and identify requirements and related reporting criteria.

* Revenues of the subsidiaries in scope correspond to ~61% of Koç Holding's combined revenues and revenues of the joint ventures in scope correspond to ~33% of Koç Holding's combined revenues.

Climate Related Material Opportunities

2. RESOURCE EFFICIENCY - WATER RECYCLING & RECOVERY

We focus on enhancing water efficiency through wastewater recovery and recycling initiatives, encouraging group companies to establish closed-loop water systems and reduce reliance on freshwater sources. Based on our analysis of Group Companies' investments in water recovery and recycling initiatives, between 2025 and 2030, we foresee investments in water recovery and recycling initiatives, resulting in projected savings for reduction in freshwater withdrawals and financial savings. By optimizing water use, we aim to strengthen resource efficiency and cost resilience across our operations.

Approach (including uncertainties, judgments and errors)
Group Companies in scope of this opportunity are Arçelik, Aygaz, Entek, Otokar, Tüpraş, and the joint ventures in scope are: Ford Otosan, Opet, Tofaş, TürkTraktör because these Companies have manufacturing/operational facilities with relatively large water footprint impact.

To be able to assess our impact regarding this opportunity, Companies' wastewater recovery and water recycling projections in m^3 along with the investment forecast until 2030 is obtained to the best extent available. Given uncertaintites regarding future projections, time frame was limited to 2025-2030. Also, local water prices were obtained from the Group Companies.We assess the savings realized by this opportunity by multiplying the amount of freshwater savings with the difference between freshwater unit price and grey water unit price, which were projected in line with Koç Holding's inflation expectations. For companies that treat and reuse their own wastewater, the corresponding value has been multiplied by the third-party water price to calculate the savings. This study was conducted with the best available information regarding water prices, which may vary depending on water availability and/or regulatory developments over time.

Current Impact on Business Model and Value Chain
This opportunity helps mitigate our water risk, detailed under **"Physical Risks"**, helps us become more climate-resilient, less dependent on natural resources and realize cost savings. Because water is a shared stakeholder challenge across basins, the more we implement recycling and recovery initiatives across our Group Companies, we contribute towards the sustainability of the basins where we operate, for all stakeholders in the ecosystem.

Among the Group Companies, the impact is bigger for the energy sector, which is the most water-dependent sector among our main business lines. Also, hydropower operations incur both cost savings and less dependence on freshwater.

Anticipated Impact on Business Model and Value Chain
Moving forward, the impact of the opportunity may expand, as a consequence of increasing freshwater prices, water scarcity, and regulatory developments. We anticipate that Tüpraş, in line with its greywater recovery investments, and Arçelik, in line with its public water recycling target, will realize more cost savings. Geographically, we anticipate the greywater recovery and water recycling investments concentrating more at facilities operating in Koç Holding's priority basins. In addition for Group Companies with global operational presence, such as Arçelik, we anticipate that the investments may concentrate at very high and high water risk locations, such as Southeast Asia and/or Africa.

Strategy and Financial Planning Integration
Even though we do not yet have a Group-wide target yet, Koç Holding has developed its Water Stewardship Framework, which the Group Companies act in line with. In addition, Arçelik has a public target to increase water recycling and reuse ratio by 35% in all its manufacturing facilities by 2040 (Base Year: 2024). Other Group Companies have internal annual targets that they monitor with the aspiration to increase greywater recovery. As a consequence, in 2024, Tüpraş recovered 73% of its total water withdrawal as greywater. Entek achieved a water recovery rate of over 94% through the use of greywater. JV Ford Otosan aims to reduce clean water use per vehicle by 40% by 2030 and invests in wastewater recovery and remote well water level monitoring project.

This Group-wide perspective positions water management not only as a risk to be mitigated, but also as a strategic opportunity to drive **operational efficiency**, **regulatory compliance**, and **environmental performance improvements** across Koç Holding's value chain.

Climate Strategy: Carbon Transition Program

Carbon Transition Program

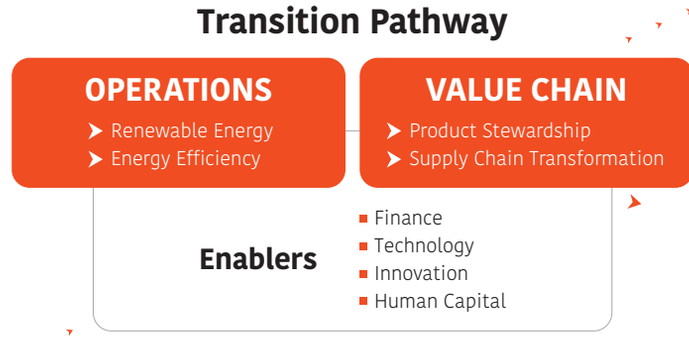
In line with the global climate agenda and the European Green Deal, we aim to be carbon neutral by 2050. In order to achieve this target and devise a roadmap for transitioning to a low-carbon economy we launched the Carbon Transition Program across the Group. Within the scope of the first focus area of the Carbon Transition Program, main transition risks and physical risks have been identified in line with TCFD* and TSRS recommendations. The main risks and financial impacts to be faced by the Koç Group and companies in the short, medium and long term have been identified under different climate scenarios. Setting targets and creating roadmaps for the companies for effective management of these risks is among the other objectives of the Program. In addition to risk management, we intend to seize opportunities in relation to emerging new product and service areas and implement resilient business models.

*As of 2024, TCFD takes place under the ISSB roof.

Transition Pathway

As Koç Holding, we have established a roadmap to support the transition to a low-carbon economy and to achieve our 2050 carbon-neutral target.

To achieve our vision of a low-carbon future, we focus on renewable energy solutions, energy efficiency measures, sustainable product stewardship and initiatives to decarbonize our supply chain. Moreover, Koç Group companies in the energy, automotive, consumer durables, and finance sectors follow this approach within their own sectoral pathways and reflect it in their industry dynamics.



Carbon Transition Program

Operations - Energy Efficiency

We are working to improve the energy efficiency of our operations across all of our businesses. This involves identifying opportunities to reduce energy consumption, optimizing manufacturing processes, and exploring new technologies to help us operate more efficiently.

Operations - Renewable energy

Most Group companies have a target to supply all electricity in their operations from renewable sources. In line with this, we invest in wind, solar, and other forms of clean energy. We are investing in renewable energy generation where feasible and purchasing renewable energy certificates.

Group-Wide Renewable Energy Project

Entek is an independent power producer (IPP) within the Koç Group and is committed to providing clean and sustainable energy solutions to meet the growing demand for power. The company has a total capacity of 492 MW and generates 77% of its electricity from renewable sources, with two wind power plant, one natural gas power plant, and eight hydroelectric power plants.

In line with the Koç Group's commitment to reducing carbon emissions, Entek is leading one important project in the Group's journey toward achieving carbon neutrality. The Group initiative focused on solar power generation, aims to increase the share of renewable energy in the Group's overall electricity consumption within Koç Group Companies.

Under the framework of the Project, we have made significant strides in the development of solar power plant projects for Koç Group companies. By the end of 2024, official approvals for total of 542 MW of solar projects have been obtained from the relevant authorities, of which 340 MW is for the Group-wide project.

Once these solar projects are fully realized, they are projected to generate approximately 3,500,000 GJ of electricity per year. This will enable us to achieve a consumption coverage rate around 33% across the Koç Group and is expected to reduce 427,414 tons of CO_2 annually.

Otokoç: Koç Group’s First Ground-Mounted Solar Power Plant

Otokoç Otomotiv has implemented a solar power plant (SPP) project with an annual generation capacity of 17.4 GWh as part of Koç Holding’s Carbon Transition Program, which supports the Group’s 2050 net-zero emissions target. Coordinated by EntekSENS and utilizing locally produced solar panels by Arçelik, the project is the first ground-mounted SPP to become operational among Koç Group companies.

Through this investment, Otokoç Otomotiv prevents 8,411 tons of CO_2e emissions annually.

Carbon Transition Program

Value Chain - Product Stewardship

Koç Group companies are working to adapt their products and services for a low-carbon future while seizing business opportunities. Our strategy involves overseeing every stage of a product's life cycle, from cradle to grave, enabling us to efficiently control emissions throughout our value chain and enhancing our competitive position. Please visit the "**Product Stewardship**" section of the report for more on our product stewardship efforts.

Value Chain - Supply Chain Transformation

At Koç Group, we view our value chain as an integral part of our transition, with suppliers playing a vital role. We are committed to support and enhance the sustainability performance of suppliers. As part of Koç Group's Supplier ESG Transformation Initiative, we integrate ESG strategies into supplier selection, retention, assessment, and development processes. We identify material risks and impacts, ensuring supplier practices align with Koç Group's Supply Chain Compliance Policy. We continuously review purchasing practices to avoid conflicts with ESG requirements.

You can find more information about our supply chain efforts in the "**Supply Chain**" section of the report.

Carbon Transition Program

Enablers

In our low-carbon transition pathway, we recognize finance, technology, innovation, and human capital as pivotal enablers.

Finance plays a key role in facilitating transformation and access to low-cost financing for green transition. For instance, Yapı Kredi, a Koç Group company operating in financial sector, not only has its own targets to transform and decarbonize its portfolio as a bank but also utilizes other green financial instruments. A notable example is the successful completion of its first Sustainable Eurobond issuance, amounting to 500 million $.

Technology is indispensable for achieving our low-carbon targets, enabling us to minimize the environmental impact of our operations and transform our product portfolio. Within the Koç Group, multiple companies are leading the way in advanced digital production. Three facilities from Koç Group companies have been acknowledged as Global Lighthouses by the World Economic Forum for their cutting-edge Industry 4.0 operations.

By embracing different and disruptive ideas, we can catalyze meaningful progress. Koç Group is leading climate-focused **innovation** across Group companies, reducing carbon emissions, increasing energy efficiency, and conserving freshwater through open innovation, intrapreneurship, R&D, and collaborative partnerships. To explore how Koç Group companies leverage technology and innovation for a low-carbon transition, you can visit the "**Technology and Innovation for Climate**" section.

Human capital stands as a keystone in our transition. Our workforce, empowered by future skills, serves as the driving force behind our sustainability efforts. We aim for them to become data citizens who will transform their work, mainstreaming sustainability throughout the Group and ensuring our transition is not only successful but also enduring. We have examples of our colleagues who work in sales or field operations becoming data analysts. Through these new competencies, our teams can now develop artificial intelligence models that transform the way they work. Until now, over 1,600 employees have benefited from our Data Literacy Program.

Carbon Transition Program

Sectoral pathways

In line with the overarching focus areas of renewable energy, energy efficiency, product stewardship and supply chain decarbonization Koç Group companies have identified sectoral priorities and transition pathways specific to the sectors in which they operate.

Energy

It will not be possible to reach a low carbon economy without the transition of the energy sector. Sector companies that invest early in clean energy transition and alternative fuels will stand out.

Koç Holding Group Companies operating in the energy sector are exploring the potential of zero-carbon electricity, alternative fuels like hydrogen and biofuels and promoting sustainable practices to mitigate their Scope 3 emissions.

Tüpraş

Tüpraş aims to lead Turkey's energy transition by making its existing assets more competitive and profitable through energy efficiency and decarbonization projects. The company also plans to invest in new areas that support sustainable development creating a balanced and diversified clean energy portfolio.

By 2030, Tüpraş aims to reduce its Scope 1 and Scope 2 emissions by 20% compared to 2017, by 25% in 2035, and become a carbon-neutral energy company by 2050.*

Tüpraş's investment areas in its Strategic Transition Plan:

- Biofuels
- Zero-carbon electricity
- Green hydrogen
- Sustainable refining

* updated in line with the slower-than-expected feasibility of green hydrogen technology

Carbon Transition Program

Automotive

The automotive sector has a critical role in the global carbon transition. The shift towards low emission vehicles will disrupt value chains and zero emission cars and trucks will be the main focal points of this transition. Companies that invest in these vehicles work to establish new value chain models and develop their manufacturing capabilities will gain leverage in the sector. In line with that, an important part of the carbon transition journey of Koç Holding Group Companies in the automotive sector is focused on their products and their value chains. Electric vehicles, vehicles with alternative fuels, sustainable production and the impact suppliers create are also tackled as important parts of their efforts.

Ford Otosan

Ford Otosan is focusing on decarbonizing its products through electrification and alternative fuel studies. Hydrogen technologies offer a new alternative for hard-to-decarbonize sectors, such as transport, and in energy-intensive industrial processes and Ford Otosan is scaling up their efforts in this field.

Ford Otosan produced the first-ever all-electric commercial vehicles in Turkey and has been increasing its investments in electrification including its purchase of a new production facility, Ford Otosan Craiova Plant. The global brand for heavy commercial vehicles, Ford Trucks, developed and unveiled first all-new 100% electric truck in Turkey and aims to produce the first fuel cell electric F-MAX to run on hydrogen. Ford Otosan plans to sell only zero-emission passenger cars, light and medium commercial vehicles by 2035, and zero-emission heavy commercial vehicles by 2040.

Ford Otosan calculates the carbon emissions of its suppliers and aims to ensure that more than 300 suppliers in its supply chain become carbon neutral by 2035. The company also targets carbon neutrality in its logistics operations by 2035.

Ford Otosan plans to reach 95% emission reduction in emissions from maritime and air transportation with the use of alternative fuel vehicles expected to develop in the sector and plans to balance remaining emissions with carbon credits.

Carbon Transition Program

Consumer Durables

There are significant opportunities for the consumer durables sector to transition towards a low-carbon economy such as technological innovation to decarbonize operations and products and achieve energy and resource savings.

The reduction of product emissions during their use is a significant factor in achieving the decarbonization goals of the consumer durables sector. Koç Holding Group companies in the Consumer Durables sector focus on developing energy-efficient products to achieve this goal.

Arçelik

Arçelik has a detailed roadmap for the transition to a low-carbon economy. This roadmap includes a commitment to achieve net-zero emissions by 2050 in line with the Science Based Targets initiative (SBTi) Corporate Net Zero Standard. In alignment with the SBTi's 1.5°C climate scenario, Arçelik aims to reduce its absolute Scope 1 and Scope 2 emissions by 42% by 2030 compared to the 2022 base year, and to reduce its Scope 3 emissions from the use of sold products by 42% over the same period. By 2050, Arçelik commits to a 90% reduction in Scope 1, 2, and 3 emissions compared to 2022 levels, and will invest in high-quality nature-based and technology-based carbon removal projects to address the remaining 10% of emissions.

In order to achieve the committed transition, Arçelik will;

- Increase green electricity procurement to 100%
- Reaching 100 MWp renewable energy installed capacity by 2030 and 110 MWp by 2040
- Invest further in energy efficiency projects in production
- Transition to 100% electric vehicles and forklifts
- Use Low GWP refrigerant in production
- Use green hydrogens where possible
- Increase penetration of super-energy-efficient products globally
- Accelerate the phase out of high-GWP refrigerants with the transition to low-GWP refrigerant in all products

Carbon Transition Program

Finance

The financial sector is committed to mobilizing capital to low-carbon initiatives and shift their portfolio towards clean energy investments.

Yapı Kredi

Yapı Kredi is committed to integrating climate risk considerations into its credit decision-making processes. As part of our Carbon Transition Program, Yapı Kredi has published its strategy with its credit portfolio in 2024 for assessing the compatibility of expected emissions reductions. This strategy will play a critical role in the carbon transition pathways of Koç Holding and green transformation of real sector in Turkey. Yapı Kredi received SBTi verification in 2024 for the targets determined for both its operations-related and financed emissions in 2023 in line with its SBTi commitment. The verification made the Bank the only private Tier-I bank to receive SBTi verification in Türkiye with the most comprehensive loan portfolio target in the Turkish banking sector. In addition, Yapı Kredi determined sector-specific emission reduction targets in 2024 in accordance with the recommendations of the Net Zero Banking Alliance (NZBA) guidelines and published them publicly together with the net-zero roadmap developed on a sectoral basis to achieve these targets. The Bank works to implement sectoral action plans in line with the net-zero roadmap.

Technology and Innovation For Climate

We strongly believe that the digital and green transitions reinforce each other. These two pillars prepare us for future needs and help gain competitive advantage. For more information on Koç Group's digital transformation strategy, please see **Digital Transformation Program**.

At Koç Holding, we prioritize digital and sustainable production to ensure environmentally responsible manufacturing through the deployment of technology. Beyond our internal operations, we also extend our focus to our stakeholders and leverage technology for the climate adaptation of our value chain in the face of climate crisis.

Fostering digital and sustainable production

To align with our carbon neutrality objective, our Group companies leverage the power of new technologies including artificial intelligence, machine learning, digital twin, data analytics, the internet of things (IoT), robotics, and automation. By harnessing these technologies, they unlock the potential of solutions such as predictive forecasting, scenario modelling, anomaly detection, or simulation. This not only delivers substantial environmental benefits but also drives significant financial gains. Moreover, our information technology company, KoçDigital is committed to developing technological solutions in such a way that will benefit the environment and communities. With the Green Intelligence Program, digital solutions are being developed to enable companies to manage their environmental impacts.

Three facilities from Koç Group companies have been acknowledged as Global Lighthouses by the World Economic Forum for their cutting-edge Industry 4.0 operations, including Arçelik's Ulmi, Eskişehir and Ankara factories and Ford Otosan's Gölcük Factory.

Arçelik's Sustainability Lighthouse Factory

The washing machine plant in Ulmi, Romania, was recognized as member of the "Global Lighthouse Network", a prestigious community of manufacturers leading in Fourth Industrial Revolution technologies. Furthermore, Arçelik's dedication to sustainable practices in water and energy management brought Ulmi washing machine plant a position among the World Economic Forum Global Lighthouse Network's 10 Sustainability Lighthouses.

Technology and Innovation For Climate

Energy efficiency stands as a crucial pillar in our transition pathway. This involves identifying opportunities to reduce energy consumption, optimizing production processes, and exploring new technologies to help us become more efficient.

Arçelik – Ankara Dishwasher Manufacturing Plant

A comprehensive digital transformation process has been initiated at the Dishwasher Manufacturing Plant to meet the increasing demand for high-quality and complex products. In this process, advanced Industry 4.0 applications integrated with the IIoT platform FLOW, developed within the plant, have been implemented. The project aims to provide innovative solutions to adapt to rising production demands and changing market dynamics. As a result of the project, the Ankara Dishwasher Manufacturing Plant has become a part of the WEF Global Lighthouse Network.

Behind the success of the project lies the cleaning cycle design developed using statistical learning and evolutionary multi-objective optimization techniques. Precise closed-loop feedback systems have been applied in operations such as plastic injection, mechanical assembly, and sheet metal forming. In sheet metal forming operations, advanced molds controlled by load sensors and hydraulic actuators have been used. Algorithms such as Random Forest, Gradient Boosting, and XGBoost, as well as multi-objective optimization applications, have been implemented for cleaning cycle design. In mechanical assembly processes, quality predictions are made using Decision Tree algorithms, while Convolutional Neural Networks (CNN) and Generative AI chatbot applications have been developed for advanced plastic injection processes.

The achievements described are based on a before-and-after comparison, clearly demonstrating the impact of the project. In the 36,000 m^2 facility, 10% of global dishwasher production has been monitored, and CO_2 emissions have been successfully reduced despite the increased production.

With the smart factory concept, transformation costs have been reduced by 26.1%, and labor efficiency has increased by 38.3%. Energy consumption has been reduced by 17%, and CO_2 emissions by 23%, while autonomous material handling operations have increased by 3.5 times. Additionally, due to advancements in quality control processes, the field failure rate has been improved by 29.2%. Thanks to this holistic approach, manual material handling processes have been automated by 77%. On the human resources side, employees have gained competencies in areas such as data analytics, automation, agile project management, and digital transformation within the 4IR fields. Furthermore, 11 Robotic Process Automations (RPA) have been developed within the scope of digital transformation.

Technology and Innovation For Climate

Ford Otosan - FlexIndustries

Ford Otosan is a partner in the four-year Horizon Europe FLEXIndustries project, with 34 partners from nine countries. FLEXIndustries aims to support the adoption of energy efficiency measures and process flexibility solutions for energy-intensive industries worldwide. Ford Otosan focuses on reducing greenhouse gas emissions by increasing the share of renewable energy at Gölcük plant and decreasing electricity and natural gas consumption. In line with this goal, Ford Otosan works on AI-assisted solutions to optimize energy use by improving traceability in the paint shop—one of our most energy-intensive areas.

The objectives of the FLEXIndustries project include:

- Reducing paint shop electricity consumption by 2%
- Increasing thermal renewable energy use as a primary energy source in production by 5 times
- Generating 3.5 GWh of electricity annually (completed the installation of a 3.68 MW photovoltaic (PV) power plant in 2024)
- Reducing CO_2 emissions by 1,818 tons
- Lowering total energy costs by 1.37%

The project was launched in 2022 and is scheduled to conclude in 2026.

WAT Motor & WAT Mobilite

The company aims to strengthen its domestic presence and expand exports with high-efficiency electric motors. WAT is also investing in future technologies, including electronically commutated (EC) motors, industrial permanent magnet motors (supported by TÜBITAK's Green Transformation in Industry program), and expanding into micro motors, servo motors, and drives for motion control systems.

WAT Mobilite, established in 2023 through the collaboration of WAT, Opet, Otokoç, and Entek offers integrated e-mobility infrastructure solutions aligned with Türkiye's electric vehicle transformation goals. The company provides end-to-end services including the design, production, and installation of domestic EV charging stations, as well as the operation of a growing nationwide charging network. Charging stations are produced at WAT Motor's local manufacturing facilities using in-house engineering and digital platforms. WAT Mobilite contributes to accelerating access to clean transportation infrastructure and supporting the reduction of transport-related emissions.

Leveraging technology for climate adaptation of value chain

As we're working towards our carbon neutrality goal and minimize our impact, it is equally important to lower dependence on natural resources. Climate change presents significant physical risks, particularly with heightened water stress. At Koç Group, we proactively address this challenge through the development of innovative solutions for climate adaptation as well as mitigation. This strategic approach aims to enhance the resilience of our operations.

Technology and Innovation For Climate

Tüpraş – Water Treatment Units

Artificial Intelligence based prediction algorithms are employed to estimate the amount of oxygen in the activated sludge in the Kırıkkale Refinery wastewater treatment units. This allows potential operational problems to be determined proactively by providing early warnings to operators and engineers without needing to wait for the laboratory results. The project went onstream in 2024, with usage monitoring planned to be carried out in 2025.

Entek - AI-driven hydrology forecasting

Entek initiated a project aimed to increase energy production utilizing the same amount of water. The project integrates AI-driven hydrology forecasting into dam operations with machine learning and deep learning. The model considers 56 variables, including topographic trends and meteorological data such as temperature, snow depth, humidity, underground water levels and operational decisions from neighboring plants. The data used spans over the past 25 years, and this enhances the prediction capabilities significantly. This resulted in 2.5% increase in energy generation productivity.

Technologies: Artificial Intelligence, Machine Learning
Solution: Forecasting/Predictive Insight
Scale: Deployed at scale
Outcome: Productivity Gains

Technology and Innovation For Climate

At Koç Holding, we aim to create shared value and a positive impact on society and our stakeholders. To achieve our objectives, we believe that it is essential to facilitate the transition of our ecosystem and provide support for adaptation to the impacts of climate change.

TürkTraktör – Tarlam Cepte App

As a Koç Group company, specialized in the production of tractors and agricultural equipment, TürkTraktör identifies the digitalization of agriculture as a key area of development to enhance value for farmers.

The company has introduced the Tarlam Cepte App in 2019, a digital platform designed to provide farmers utilizing the application customized weather information specific to their field locations. Application also delivers digital decision support regarding their agricultural activities. Furthermore, Tarlam Cepte App provides convenience to users with its various improved features including digital service processes based on online booking, smart guidance with crop humidity mapping and irrigation recommendations, yield and crop estimations that use image processing, crop health information, and early warning systems.

Designed to increase yield and contribute added value to farmers' agricultural activities, Tarlam Cepte application was offering service to more than 170,000 users at the end of 2024.

These insights not only assist in optimizing agricultural practices but also contribute to the enhancement of water, diesel, and pesticide consumption efficiency.

Technologies: Machine Learning, Image Processing
Solution: Forecasting/Predictive Insight, Sensors, and Imaging
Scale: Deployed at scale
Outcome: Operational Efficiency, Water Reduction, Cost Reduction

Technology and Innovation For Climate

Innovation for Climate

Research and Development (R&D) Capacity, Innovation Culture & Intrapreneurship and Open Innovation & Partnerships are high and medium material topics in the 2023 Materiality Analysis.

A Culture of Innovation for Sustainable Solutions

Recognizing innovation as one of the cornerstones of sustainable development, there is a holistic approach in applying innovation and R&D as explained in the **Innovation and Research Development** section of this report. Koç Group's climate-focused innovation strategies drive tangible projects across its companies including reducing carbon emissions, increasing energy efficiency, and reducing use of freshwater. There are four prolonged approaches: open innovation, intrapreneurship, R&D and fostering collaborations. Open innovation enables Koç Group Companies to tap into external expertise and accelerate problem-solving, tackling pressing challenges related to climate change. Through active monitoring and startup scouting, open innovation is a way to extend business to pioneering ideas and applications. Open innovation enables Koç Group Companies to tap into external expertise and accelerate problem-solving, tackling pressing challenges related to climate change. Through active monitoring and startup scouting, open innovation is a way to extend business to pioneering ideas and applications.

Tüpraş is a leading example for open innovation and in September 2022 established Tüpraş Ventures for direct investment in start-ups with a strong focus in the energy transition.

Tüpraş Ventures

Tüpraş Ventures is a wholly owned subsidiary of Tüpraş, invests in, partners with, and supports startups in the field of energy transition solutions and solutions that contribute to sustainable production in line with the company's innovation focus areas in hydrogen, biofuel and synthetic fuels, fuel cells, energy storage, and zero-carbon electricity. Company's primary geographic investment focus areas are North America and Europe. Tupraş achieves early access to technologies and learning. The Company has so far invested in a total of 39 start-ups, directly and indirectly.

Tüpraş Ventures has established a long-term cooperation with Emerald, one of the first venture capital firms to focus on sustainable industrial innovation.

Tüpraş Ventures's investment portfolio includes Iongenics, develops energy efficient, safe and modular systems for green hydrogen production, Verdagy is working on anion exchange membrane (AEM) technology that aims to overcome the technical disadvantages of existing electrolysers in green hydrogen, AIS Field, operating in the field of robotic solutions and carrying out tank bottom maintenance and Ionomr, developing special materials used in green hydrogen production systems.

In order to take the first step in the transition from gray hydrogen to green hydrogen, a 7 kW capacity water electrolyzer will be developed in cooperation with Iongenics company. The first green hydrogen production will be carried out in Tüpraş.

Technology and Innovation For Climate

Intrapreneurship empowers employees, nurturing creative thinking and allowing promising internal ideas to flourish. In line with the talent management strategies, Koç Group companies are actively fostering a culture of innovation. This includes investments in developing competencies critical for the future, equipping employees with the necessary skills and motivation to thrive as intrapreneurs and active contributors in the innovation ecosystem

The importance attached to achieving growth driven by technology, R&D and innovation, is reflected in Koç Group Companies' ongoing investments in R&D. Leveraging robust R&D capabilities, providing solutions that are both innovative and sustainable ensures competitive advantage and a positive impact.

Arçelik introduces innovation into every stage of its production. Sustainability is a core principle in their R&D, focusing on sustainable technologies.

Arçelik Defy - Solar Off-Grid Initiative

In South Africa, a project has been implemented under the Solar – Off Grid initiative, driven by sustainability motivations and supported by goals such as raising regional awareness and increasing the visibility of the Defy brand. The project focuses on two product groups from the most basic segment of the portfolio: a 60 cm bottom-freezer refrigerator and a chest freezer. Through the hybrid technology applied, both solar-stored battery power and grid electricity can be used in combination. This approach is expected to create differentiation in the market with value-added products that align with our core principle of sustainability.

Technology and Innovation For Climate

Aygaz - GreenOdor & Bio-DME

Since LPG is an odorless gas, it must be odorized with a distinct component in accordance with the EN 589 Standard to detect potential leaks. However, conventional odorants increase the total sulfur content of LPG, leading to harmful SOx emissions. Following four years of R&D and three years of product development, Aygaz developed GreenOdor, a sulfur-free LPG odorant. Compared to traditional odorants, GreenOdor offers lower emissions (70% less SOx emissions), reduced chemical usage, and cost advantages.Aygaz also continues its process development efforts to produce Bio-DME (Dimethyl Ether) from organic waste, as part of a project carried out in collaboration with İnönü University under the TÜBİTAK TEYDEB 1505 University–Industry Collaboration Support Program.

Fostering collaboration

Koç Group companies support the wider innovation ecosystem to contribute carbon emissions reduction objective through fostering partnerships, knowledge sharing, and collaboration between academia, research institutions, their own R&D capacity, and other innovators. The Hydrogen Technologies Center established at Koç University in collaboration with Koç Group companies is an example bringing academic research and industry expertise together for development of viable applications.

For instance, Tüpraş works with Koç University KÜTEM on the “Electrolyzer Development Project” which involves the work on the H2S (hydrogen sulphide) electrolysis system development for clean hydrogen production. The work was successfully completed on a laboratory scale with the necessary system parameters determined for demoscale production in this process. In 2025, the Company aims to combine the systems that will provide demo-scale production and ensure they work as a whole.

Climate Related Metrics and Targets

Taking into account the Paris Agreement, Koç Holding committed to become carbon-neutral by 2050 and launched the Carbon Transition Program. As part of the program, the Group companies are actively engaged in their low-carbon transition initiatives. A key focus is placed on the effective monitoring and reporting of greenhouse gas (GHG) emissions, as well as striving to reduce emissions to the greatest extent possible.

In line with our 2050 carbon neutrality target, we commit to reducing gross Scope 1 and Scope 2 greenhouse gas emissions in absolute terms by 20%* in 2030 and by 49% in 2040 compared to the 2017 baseline year (7.8 million tCO_2e). This target and the methodology for setting the target has not been validated by a 3rd party. Scope 1 and market-based Scope 2 greenhouse gas emissions totaled 6.5 million tCO_2e in 2024 for our Group companies within the scope of the carbon neutrality target, securing 17% reduction in the Group's emissions compared to 2017 base year.

In 2024, Arçelik received approval from the Science Based Targets initiative (SBTi) for its greenhouse gas (GHG) emissions reduction and net-zero targets, which are aligned with the Paris Agreement scenario aiming to limit global warming to 1.5°C above pre-industrial levels. Accordingly, as part of its near-term targets, the company aims to reduce its Scope 1 and 2 emissions by 42% and its Scope 3 emissions from the use of sold products by 42% by 2030, using 2022 as the base year. In the long term, Arçelik targets becoming a net-zero company by 2050. To achieve this goal, the company plans to reduce its Scope 1, 2, and 3 emissions by 90% by 2050 compared to 2022 levels.

Ford Otosan has set both near- and long-term GHG emissions reduction targets, which have been approved by SBTi. The company has committed to achieving net-zero GHG emissions across its entire value chain by 2050. In this regard, Ford Otosan aims to reduce its absolute Scope 1 and 2 emissions by 77% by 2034 compared to the 2017 base year, and to reduce its absolute Scope 3 emissions from the use of sold products by 58.8% by 2034 compared to the 2021 base year. In the long term, the company targets a 90% reduction in absolute Scope 1 and 2 emissions by 2050 compared to 2017, and a 90% reduction in Scope 3 emissions from purchased goods and services, logistics activities, and product use by 2050 compared to 2021.

Yapı Kredi obtained SBTi validation in 2024 for both its operational and financed emissions targets, in line with the SBTi commitment it made in 2023. With this validation, the bank became the only private Tier-I bank in Türkiye to receive SBTi approval and the first in the Turkish banking sector to set the most comprehensive climate target for its lending portfolio.

Koç Holding did not purchase or use any carbon credits as part of their decarbonization strategy. Among the Group companies, Yapı Kredi has offset its Scope 1 and 2 emissions using Gold Standard carbon credits.

We aim to reduce our Scope 1 and Scope 2 greenhouse gas emissions by 20%* in 2030 and 49% in 2040, compared to 2017 and become carbon- neutral by 2050.

* The main reason for reducing the 2030 interim target from 27% (which has been approved in 2022) to 20% in connection with the goal of becoming carbon-neutral by 2050 is the postponement of the hydrogen transition in the energy sector to post-2035 due to its low feasibility. In alignment with the expected acceleration of carbon reduction solutions after 2035, our carbon-neutral target for 2050 remains unchanged.

Climate Related Metrics and Targets

Scope 1 and 2 GHG Emission Calculation Methodology
Koç Holding consolidates Scope 1 and Scope 2 greenhouse gas emissions in accordance with the GHG Protocol Corporate Standard. The operational control approach is applied. Scope is aligned with that of 2024 consolidated financial statements.

Emissions data is collected for Koç Holding, 10 Subsidiaries, 5 Joint Ventures and their subsidiaries and their joint ventures, which correspond to ~94% of combined revenues**.. For companies that do not yet report emissions, estimations are made using a revenue-based model with Environmentally Extended Input-Output (EEIO) emission factors. This ensures consistent and comprehensive inclusion of all relevant entities in the consolidated inventory, supporting transparency and alignment with international reporting standards.

Emissions data are collected from Group companies and Scope 2 emissions are based on electricity consumption. To prevent double counting, electricity supplied by Entek to other Group Companies is treated as an internal transaction. Although this electricity is consumed by other companies, related emissions are accounted under Entek's Scope 1, reflecting the actual point of generation within the Group's operational boundary. Companies in which Koç Holding does not have operational control, such as Ford Otosan, Opet, Tofaş, and TürkTraktör, are excluded from the consolidated Scope 1 and Scope 2 inventory. However, these entities are incorporated into the Group's Scope 3 reporting.

Average-Data Method Using EEIO Emission Factors for Revenue-Based Calculations*
For companies where emissions are calculated based on financial data (i.e., revenue-based estimations), we applied the average-data method using Environmentally-Extended Input-Output (EEIO) data.

The methodology is as follows:
The revenue of the investee company is multiplied by the appropriate EEIO emission factor representative of the sector in which the company operates (expressed as kg CO_2e per USD revenue). The result is then multiplied by the reporting company's proportional equity share in the investee company to calculate the allocated emissions.

Formula:
Emissions from equity investments = ∑ [(Investee revenue × sectoral EEIO emission factor) × equity share]

	2024			
Scope 1&2 GHG Emissions (ton CO_2e)	**Koç Holding**	**Subsidiaries*** Group Companies as Part of the Carbon Transition Program Carbon Neutral Target	**Subsidiaries**	**Joint Ventures**
Calculated Scope 1 GHG Emissions	1,115	6,304,283	11,500	68,696
Calculated Scope 2 (market-based) GHG Emissions	722	212,699	11,171	34,100
Calculated Scope 2 (location-based) GHG Emissions	722	339,213	14,095	41,196
Total Calculated Scope 1 and 2 Emissions (market-based)	**1,837**	**6,516,982**	**22,671**	**102,796**
Total Calculated Scope 1 and 2 Emissions (location-based)	**1,837**	**6,643,496**	**25,594**	**109,892**
Revenue-based GHG Emissions	-	-	184,890	19,150
Total Scope 1 and 2 Emissions (market-based)	**1,837**	**6,724,542**		**121,946**
Total Scope 1 and 2 Emissions (location-based)	**1,837**	**6,853,980**		**129,042**

* A total of 20.383 tons of Scope 1 and 2 emissions of Arçelik's joint ventures, Arçelik-LG Klima Sanayi ve Ticaret A.Ş. and VoltBek Home Appliances Private Limited, are reported within the scope of both subsidiaries and joint ventures in accordance with TSRS and in order to monitor the carbon neutrality target within the scope of Koç Holding Carbon Transition Program.
** Emissions data is collected for Koç Holding, the following subsidiaries: Arçelik, Aygaz, Divan, Entek, KoçSistem, Otokar, Otokoç, Tüpraş, Yapı Kredi, Wat Motor and the following joint ventures: Arçelik-LG, Ford Otosan, Opet, Tofaş, TürkTraktör.

Climate Related Metrics and Targets

Greenhouse Gas Emissions (tCO_2e)	2017	2021	2022	2023	2024
Total Scope 1 emissions	7,572,664	6,245,166	6,864,059	6,625,491	6,304,283
Total Scope 2 emissions – market based	129,471	127,516	127,838	109,877	212,699
Total Scope 2 emissions – location based					339,213
Total Scope 1 and 2 emissions of subsidiaries owned by Koç Group companies	134,671	184,271	N/A	N/A	N/A
Koç Group total Scope 1&2 emissions - market based	7,836,806	6,556,953	6,991,897	6,735,368	6,516,982
Koç Group total Scope 1&2 emissions - location based					6,643,496
Emission intensity (CO2e/consolidated million TL)	79	19	8	4	3

The approach Koç Holding adopts to manage the emissions resulting from its operations and its value chain is addressed in the Transition Roadmap that entails sector-specific decarbonization strategies for different Koç Group companies. Accordingly, the energy industry plans its transition with a focus on well-balanced, diversified, and clean energy portfolio by manufacturing different types of energy such as zero- carbon electricity, green hydrogen, sustainable aviation fuels, and biofuels within an integrated business model. The transition of the automotive sector relies on increased weight occupied by electric vehicles and vehicles that use alternative fuels in the product portfolio and the transformation of the supply chain.

For the consumer durables sector, low carbon transition entails production of energy-efficient products, reduction of emissions generated during use and transformation of the supply chain. The finance sector, on the other hand, targets to channel its capital to low-carbon initiatives and to transform its portfolio in line with clean energy investments.

	2021	2022	2023	2024
Energy Savings through energy efficiency (million GJ)	2.19	1.73	2.41	2.18
GHG Emission Reduction (thousand-ton CO2e)	145	96	137	218

Energy Consumption (GJ)	2021	2022	2023	2024
Direct Renewable Energy Consumption	1,920,530	2,423,857	2,818,505	3,569,111
Direct Non-Renewable Energy Consumption	93,748,934	95,911,940	96,630,145	95,313,001
Total	**95,669,464**	**98,335,797**	**99,448,650**	**98,882,113**

Water Stewardship

Due to climate change, there are increasing risks associated with water, making it a topic of critical concern for both societies and businesses. According to the Koç Group climate-related risk and opportunity analysis in which 84 sites belonging to 10 Group companies were examined, water stress was identified as the most severe physical risk in the context of a moderate climate scenario.

Water stewardship is also a top priority for our stakeholders. As a result of 2023 Materiality Analysis, water stewardship emerged as a new issue and became one of the high material topics.

Koç Holding Sustainability Unit establishes the strategy and direction for assessing, managing, and mitigating water related risks and opportunities. Updates on water related risks and progress is reported at least twice a year to the Board Of Directors' Risk Management Committee by Koç Holding Sustainability Coordinator. Water Stewardship Task Force is part of the Environmental Council, led by Koç Holding Sustainability Coordinator. The Task Force consists of members from consumer durables, energy and automotive sectors and ensures assessment of water risks and opportunities, tracks water related regulations and coordinate the water management best practices' implementation across Koç Group Companies.

As Koç Holding, we are a signatory of the CEO Water Mandate, which brings stakeholders together to develop sustainable solutions in water management, and a member of the New Endorsers Group, where signatories come together to share knowledge and proven practices. Koç Holding is also among the members of the WEF Water Futures Community.

Arçelik is a supporter of the CEO Water Mandate and the 'Water Resilience' target of the 'Forward Faster' initiative. Tüpraş became the first Turkish industrial company to become a member of Water Europe, with the aim of becoming part of the global water ecosystem by further advancing its efforts in water efficiency and wastewater treatment through international collaboration.

Water Stewardship

As Koç Group, we are working towards sustainable water management in line with our Water Stewardship approach.

While improving water efficiency in our operations, we also contribute to projects focused on communities, watersheds, and ecosystems.

OUR APPROACH

1 Operations

- Set and achieve our targets for operational efficiency, recycling, and water quality.

2 Basins

- Take action towards challenges related to watershed health, water quality, and clean water access in the regions where we operate.
- Collaborate with relevant stakeholders in our priority watersheds to address shared water challenges

3 Ecosystem

- Identify and support opportunities for the sustainable management of water resources along our value chain.
- Support and collaborate with the ecosystem stakeholders who generate solutions to address water related challenges by leveraging innovation and technology.

Water Stewardship

WATER RISK ASSESSMENT

The risk assessment conducted in 2023 was updated in 2024 for 84 facilities of 9 companies operating in the energy, automotive, and consumer durables sectors across 14 countries. The assessment was carried out based on optimistic, usual, and pessimistic scenarios for the 2030 and 2050 projections.

Basin-based risks were assessed using the World Resources Institute's Aqueduct and WWF's Water Risk Filter tools, focusing on water scarcity, flooding, and water quality dimensions. In addition to basin-based risks, a weighted total risk score was calculated for each facility by also considering operational risks, reputational risks, and regulatory risks based on facility-level water withdrawal data. As a result, it was determined that 78% of our operations are located in high and very high water-stressed regions.

The basins included in the assessment were filtered based on the following criteria:

- Basins classified as extremely high and high risk
- Basins where facilities with higher operational water withdrawal are located
- Basins where multiple facilities of our Group Companies are present
- Basins listed among the CEO Water Mandate's Global 100 Priority Basins

As a result, the priority basins across the Koç Group were identified, and a study was conducted to assess the financial impact of water risks in these basins on operations. For details, please see "**Climate Related Material Risks and Opportunities**".

Water Stewardship

As Koç Group, we set targets to use water resources efficiently.
Among our Group Companies, Arçelik, Ford Otosan, and Aygaz have publicly announced their current targets. Arçelik aims to reduce water withdrawal per product by 25%, water discharge per product by 25%, and increase water recycling and reuse ratio by 35% in all its manufacturing facilities by 2040 (Base year: 2024).Ford Otosan targets a 40% reduction in freshwater use per vehicle by 2030 through recovery projects at its Gölcük, Yeniköy, and Eskişehir plants.(Base year: 2019)

We are improving water efficiency in our operations and expanding water recycling practices by utilizing alternative water sources.
Over the past four years, Arçelik has saved 761,000 m^3 of water through efficiency projects, recycled 549,000 m^3 of water, and recovered 212,000 m^3 of rainwater. In 2024, Tüpraş recovered 73% of its total water withdrawal as greywater. Entek achieved a water recovery rate of over 94% through the use of greywater. Yapı Kredi increased its rainwater storage capacity by 50% over the past two years through rainwater systems installed at its Gebze, Darıca, and Yeniköy Koru facilities.

In 2022, Otokar implemented roof modifications to make them suitable for rainwater collection, with the aim of increasing the use of recycled water in production. While harvesting rainwater through the rainwater collection system, deionized (pure) process water is recovered at the Cathodic Electrocoat Facility, ensuring water circularity. In 2024, approximately 155,000 m^3 of water was reused in production through recycling and recovery practices, and 3,000 m^3 of water was saved through efficiency projects.

We harness the power of technology to manage water resources more efficiently.
With the support of artificial intelligence, Entek forecasts water inflow volumes in dams with 90% accuracy and 96% faster than manual methods, contributing to efficient water use.

TürkTraktör, through its "Tarlam Cepte" mobile app, delivers smart irrigation guidance by analyzing water stress and irrigation data—supporting farmers in managing water resources more efficiently.

Together with our Group Companies, we develop innovative products that reduce water consumption.
Arçelik's SaveWater technology enables up to 2.6 liters of water savings in dishwashers.

We support ecosystem stakeholders that provide solutions in water management.
Yapı Kredi Leasing became the first company in Turkey to comply with blue finance criteria and secured a USD 120 million loan with a three-year term from the International Finance Corporation (IFC).

Our water management practices are recognized on international platforms.
Koç Holding has earned an A- score in CDP (Carbon Disclosure Project), the world's largest environmental reporting platform, in the Climate Change and Water Security programs, placing it in the leadership category. Arçelik was included in CDP's Global A List for Water Security, standing out globally in sustainable water management. Yapı Kredi received A- from CDP Water Security Program and maintained its leadership status. In the upcoming period, we plan to use technology as a lever for the effective management of water resources, disseminating current best practices across the Group and developing innovative practices for the sustainability of basins for all stakeholders.

Water Stewardship

Metrics

Water withdrawal in 2024 declined by 5% compared to 2023. Amount of reused/recycled water increased by 6% in 2024.

Water Withdrawal, Discharge and Consumption* (thousand m³)	2021	2022	2023	2024
Water Withdrawal				
Surface water	14,923	17,478	15,389	18,177
Ground water	5,815	7,042	7,416	3,019
Municipal water	2,469	2,395	3,324	2,739
Treated urban wastewater and other resources	11,401	9,795	6,716	7,283
Third-Party Water Providers – Potable	n.a.	n.a.	n.a.	2,739
Third-Party Water Providers – Recovered	n.a.	n.a.	n.a.	7,114
Produced Water	n.a.	n.a.	n.a.	0
Sea	n.a.	n.a.	n.a.	2
Rainwater	n.a.	n.a.	n.a.	167
Total water withdrawal	**34,608**	**36,710**	**32,845**	**31,218**
Total Water Withdrawal from areas under Water-Stress	n.a.	n.a.	n.a.	**27,951**
Water discharge				
Surface Water	n.a.	n.a.	n.a.	4,416
Ground Water	n.a.	n.a.	n.a.	46
Sea	n.a.	n.a.	n.a.	10,987
Third Party Water Providers	n.a.	n.a.	n.a.	3,266
Total Water discharge	**17,158**	**19,257**	**24,603**	**18,715**
Water consumption	**17,450**	**17,453**	**8,250**	**12,503**
Reused/Recovered water amount	n.a.	**18,042**	**17,904**	**18,599**
Percentage of recovered water in total water withdrawal (%)	n.a.	**49%**	**54%**	**60%**

1. **Subsidiaries:** Arçelik, Aygaz, Entek, Koç Sistem, Otokar, Otokoç, Tüpraş, YapıKredi and their subsidiaries
Joint Ventures: Arçelik-LG, Ford Otosan, Opet, Tofaş, TürkTraktör

2. In parallel with the update of the calculation methodology to align with the ESRS E3 standard, the data for 2022 and 2023 has also been updated.

Product Stewardship

Sustainability is integrated into new product and service development processes along the value chain throughout all lifecycle stages*.

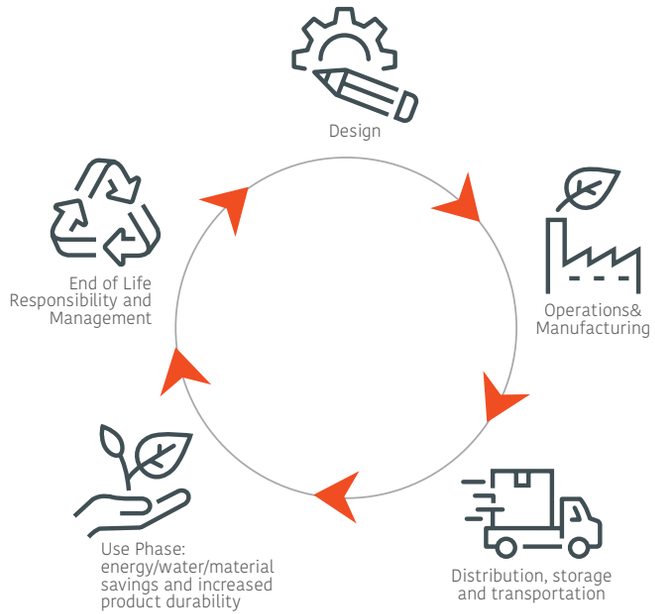
Product stewardship is particularly important for the Koç Group as it is critical to mitigate Scope 3 emissions.

Our approach encompasses the entire life cycle of products, from cradle to grave, allowing us to effectively manage emissions across the value chain while gaining a competitive advantage.

Product Stewardship Task Force is part of the Environmental Council, led by Koç Holding Sustainability Coordinator. The Task Force consists of members from consumer durables, energy and automotive sectors.

Our Product Stewardship Task Force's main focus areas include the environmental impacts of product and process design, life cycle assessment, end-of-life product responsibility, resource efficiency during product use, and industrial symbiosis.

OUR APPROACH



* For more information, you may refer to pages 91-106 of **Arcelik 2024 Integrated Report** and pages 112-127 of **Ford Otosan 2024 Integrated Annual Report**

Product Stewardship

Design

We address sustainable product design by reducing the weight of products to the extent possible, increasing the percentage of recycled and bio-based materials, recovering reusable elements from end-of-life vehicles, and choosing materials or components with lower environmental impact.

While recycled fishnets, recycled PET bottles, bio-composite materials end-of-life tires have been used in products so far, in the heavy commercial vehicle group, trials are in progress for sustainable plastics reinforced with natural fibers and additives such as recycled, biobased jute, rice and nut shells.

A total of 27,835 tons of recycled plastics were used at Arçelik in 2024.

Case in Practice: Arçelik Bio Refrigerator: Incorporating both bioplastic components and bio-based polyurethane in its design and manufacture, Arçelik Bio Refrigerator featuring bio-based polyurethane insulation has started to be sold in the UK market as of the first quarter of 2023. In the new version of the refrigerator exhibited at IFA 2023 and EuroCucina, the total bioplastic content in the product reached 50% through the use of 85% bio-based bio-HIPS in the inner body and 95% bio-based bio-GPPS in the door shelves and crisper covers. With its increased bio-based content, this bio refrigerator has a 37% reduced carbon footprint compared to the petroleum-based version while maintaining the same performance, quality, and functionality as plastic.

Operations & Manufacturing

We address sustainable operations and product manufacturing through resource & energy efficiency and making use of digital transformation where possible.

Case in Practice: In line with this approach, Arçelik develops a Digital Twin to enhance its efforts of digitalizing manufacturing processes. Arçelik collaborated with the Simularge start-up for modeling the thermoforming process, which produces the refrigerator's inner body, resulting in the creation of a digital twin. This digital twin optimizes process parameters to prevent potential quality errors with a closed-loop feedback algorithm. Implemented in the Eskişehir Refrigerator Facility 6 in 2021, the project was expanded to the Refrigerator Plant in Manisa and to the Dishwasher Plant in Ankara in 2022 and in one more line in Eskişehir in 2023. In 2024, a 15% energy saving was achieved in the Bitumen oven line of the Dishwasher Plant in Ankara.

Distribution, Storage and Transportation

We address product stewardship during distribution and transportation phase by reducing the amount of packaging to the extent possible and/or expanding the use of sustainable materials, and through circular applications such as reusing pallets to minimize waste and reduce transportation related emissions.

Case in Practice: Aygaz discontinued the use of plastic bubble wrap as filler for the e-commerce shipments of its camping and gas equipment. Instead, the company began using the scrap cardboard waste that was upcycled as filler packaging, which led to both environmental and financial benefits.

Product Stewardship

Use Phase: energy/water/material savings and increased product durability

We work on minimizing the environmental impact (e.g. energy, emissions, water) during the use of sold products through increasing the durability, repairability and reusability of our products. In addition, energy and water-efficient products is the focus for consumer durables sector while electrification and hydrogen technologies is the focus for automotive sector.

Case in Practice: Ford Otosan and Otokar are working on hydrogen powered vehicles in this respect. At Ford Otosan, 6.6% of revenues was obtained from sustainable products and services* as of 2024. In 2024, Otokar introduced its new fully electric e-Kent at Busworld Türkiye. The new e-Kent offers a range of over 300 kilometers on a full charge, depending on topography and usage profile.

Case in Practice: Arçelik's low-impact products include solar fridges, low-water impact tumble dryer, washing machine and dishwasher, products with heat pump technology, fiber catcher technology and selfdry and autodose functions. In 2024, 71.5% of Arçelik's revenue was obtained from low carbon products** and 649,316 tonnes of CO_2e emissions were avoided.

End of Life Responsibility and Management

At the end of the lifecycle, our Group Companies within the automotive sector work on improving the overall lifecycle management of batteries, such as increasing the ratio of end-of-life batteries recycled in production processes through cost-effective disassembly and remanufacturing processes. Working on the circularity of the precious metals with high carbon intensity is another focus area.

Reusing/recycling products and parts along with structured take-back programs are other ways to properly manage the end of lifecycle. Across the Group, Arçelik and Aygaz implement take back systems.

Case in Practice: Arçelik established two Waste Electrical and Electronic Equipment (WEEE) Recycling Plants in Turkiye since 2014, being the only home appliance manufacturer in Europe to have its own WEEE Recycling Plants. With the take-back campaigns, the old products are taken to WEEE recyling plants to be dismantled, granulized and sold as raw material to recyclers. Since 2014 until the end of 2024, through the take-back system, 8.9 million tonnes of water and 267,600 tons of CO_2 emissions were avoided.

Case in Practice: Aygaz implements a refill system for the gas cylinders, as part of which hot or cold repair is executed and the scrap gas cylinders are sent to licensed recovery facilities. In 2024, Aygaz recycled 2,751 tons of scrap cylinders that were not possible to be reused.

* At Ford Otosan, a sustainable vehicle is an environmentally friendly mode of transportation designed to minimize its negative impact on the environment. These vehicles produce fewer emissions, use less energy, and often run on alternative power sources like electricity, hydrogen, or biofuels. They promote energy efficiency, reduced pollution, anda lower carbon footprint compared to conventional vehicles.

** At Arçelik, a low carbon product has been defined as products that use less raw materials, recycled raw materials and consume less energy than the lowest allowable energy efficiency classes.

Product Stewardship

Partnerships as Enablers

Locally and internationally funded research projects as well as collaborations with universities are important enablers in catalyzing our product stewardship efforts.

Koç Group has been a long-standing partner and coordinator in EU-funded Horizon Europe. Ford Otosan completed the Horizon 2020 program with 20 projects and Euro 7.73 million funding in total, becoming this program's highest funded industrial company in Turkey, whereas Arçelik, - with this 22 eligible projects -, completed the program with the highest number of projects from the private sector in Turkey. Arçelik, Ford Otosan and Tüpraş will continue to participate in the next Horizon Europe period planned through 2027, with a particular focus on fuel consumption reduction, alternative fuel integration, AI powered platforms, bio-based materials, clean hydrogen and renewable fuels.Koç Group Companies also collaborate with Koç University in light of the evolving sustainable business needs.

Ford Otosan is the first within the global Ford Motor Company system to build an Energy Storage System from scrap batteries

Ford Otosan's new innovation project: FOUS is a first for the Ford Otosan and Ford Motor Company facilities. FOUS aims to contribute to company's circular economy goals by re-purposing production scrap and second life electric vehicle batteries in energy storage systems (ESS). With the purpose of building an integrated value chain for electric vehicle batteries, Ford Otosan's scrap modules are reused to build an Energy Storage System (ESS).

The first prototype has been installed at an AC charging station at the Kocaeli Plant, where 18 E-Transit battery modules were reused, building an ESS system with a total capacity of 142.2kWh. With the second phase of the project continuing and expected to be completed by 2025, FOUS reduces environmental waste while achieving over 60% savings in energy storage costs.

FOUS, awarded the Henry Ford Technology Award (HFTA), the highest technical award given by Ford Global, marks a first among Ford Global facilities and OEM manufacturers in Turkey, driving significant transformation in the fields of energy storage and sustainability.

Product Stewardship

Life Cycle Assessment

We benefit from Life Cycle Asessments as a leverage and work on expanding the coverage across the Group. As of 2024, Tüpraş and Aygaz within energy sector; Ford Otosan and Otokar within automotive; and Arçelik within consumer durables sector conduct LCAs.

	%of total products covered by LCA	Full or Simplified LCAs	Methodologies Used	Value Chain Stages Covered	Type of Products Covered
Arçelik	17%	Full	ISO 14040 CML IPCC	• Raw Material • Upstream logistics • Production • Downstream Logistics • Use Phase • End of Life	• Finished product • Semi-finished • Process
Ford Otosan	96% 4%	Full Simplified	ISO 14040 CML IPCC	All Stages Covered	• Finished product • Semi-finished • Spare Parts • Process
Otokar	0.05	Full	ISO 14040/44	• Raw Material • Upstream logistics • Production • Downstream Logistics • Use Phase • End of Life	• Finished product
Aygaz	40%	Full	ISO 14040 CML	• Raw Material • Procurement • Upstream logistics • Production • Downstream Logistics	• Finished product
Tüpraş	N.A	Simplified	RECIPE	• Production	• Process For more information on Tüpraş's LCA approach, please visit **Tüpraş 2023 Integrated Annual Report**, page 271.
Türk Traktör	N.A	Full	ISO 14040/14044 IPCC	All Stages Covered	Finished product

Waste Management

We believe that effective waste management is crucial for product stewardship and achieving a low carbon economy.

Waste Management Task Force is part of the Environmental Council, led by Koç Holding Sustainability Coordinator. The Task Force consists of members from consumer durables, energy and automotive, finance and tourism sectors and ensures assessment of waste risks and opportunities, tracks waste related regulatory developments and coordinate the waste management best practices' implementation across Koç Group Companies.

OUR APPROACH

In order to minimize waste, our Group companies focus on reuse and recycling wherever feasible. To guide our efforts, we have adopted the Waste Management Hierarchy Model by Zero Waste Europe, which enables us to adopt a holistic approach from product design to waste disposal.

The Koç Group aims to manage waste through reducing it at source and continuously increase its recycling and reuse rate.

In 2022, the Waste Management Task Force updated the Group-wide waste performance indicators. Furthermore, a SWOT analysis to identify the risks and opportunities in waste management was conducted,

Waste Management

Metrics

As a result of the waste management efforts, total reused/recycled waste rose from 370K tons in 2023 to ~390K tons in 2024.

Koç Group's waste-related indicators have been assured by EY.

EPC-EqTech Horizon 2020 Project

Under the EPC-EqTech project, electrochemical technologies were developed for waste caustic treatment. For the first time, a trial was carried out for the treatment of dirty caustic in the petrochemical industry field. Field application was successfully carried out at the Kırıkkale Refinery within the scope of the project.

Waste by Type (tons) *	2021	2022	2023	2024
Recovered and recycled hazardous waste (R code)	57,753	28,072	40,298	51,494
Recovered and recycled non-hazardous waste (R code)	317,917	262,411	328,680	383,686
Hazardous waste disposed (D code)	4,362	4,925	15,066	15,543
Non-hazardous waste disposed (D code)	6,639	6,375	12,675	10,584
Total waste recycled/reused	375,670	290,813	368,978	435,180
Total waste disposed	11,001	11,301	27,741	26,127
Total	**386,671**	**302,114**	**396,719**	**390,280**

* All calculations are made in line with the Waste Management Regulation.

Our Partnership with the Business Plastics Initiative

Koç Holding is a signatory to the Business Plastics Initiative, established in partnership with Global Compact Türkiye, Business Council on Sustainable Development Türkiye and TÜSİAD, to encourage concrete actions of the private sector towards preventing plastic pollution, which is a threat to human and environmental health Additionally, it seeks to increase collaboration and provide advocacy. Koç Holding committed to ending single-use plastics consumption among employees. As of end of 2023, Koç Holding achieved its target.

Biodiversity & Deforestation

Koç Holding assessed the dependencies and impacts on biodiversity among its Group Companies using a location-based approach.

As businesses rely on natural resources for raw materials, biodiversity plays a pivotal role in ensuring business continuity and resilience. The loss of biodiversity due to human activities poses significant risks to businesses, including supply chain disruptions, increased operational costs, and reputational damage. According to World Economic Forum Global Risks Report 2024, biodiversity loss and ecosystem collapse are among the top 4 risks over the next 10 years. Therefore, integrating biodiversity conservation into business practices is not only essential for environmental stewardship but also for ensuring long-term resilience and profitability.

OUR APPROACH

Global biodiversity standards recommend companies to evaluate the impacts of their operations taking into account how their activities influence ecosystems and species, while also recognizing their reliance on healthy biodiversity for resources. Koç Holding assessed the dependencies and impacts on biodiversity among its Group Companies using a location-based approach. The scope included First* Group Companies designated under Koç Holding's Carbon Transition Program and their 40 domestic and 15 international production facilities were covered.

Starting with sectoral inventories, the following tools were utilized.

- Science Based Targets for Nature (SBT-N) Materiality Screening Tool: ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)
- WWF - Biodiversity Risk Filter

Subsequently, impact and dependencies on species inventories and biodiversity areas were evaluated using the following public tools:

- Integrated Biodiversity Assessment Tool (IBAT)
- Noah's Ark Biodiversity Database by The Ministry of Agriculture and Forestries
- KBAs (keybiodiversityareas.org)

* First Group Companies that have manufacturing, filling, and/or refinery facilities. (Arçelik, Aygaz, Entek, Ford Otosan, Opet, Otokar, Tofaş, Tüpraş, TürkTraktör)

Biodiversity & Deforestation

As Koç Group, we actively started working on our group-wide impact on biodiversity and developing an approach for its management in 2022. As a result, Koç Holding Biodiversity Task Force was created in early 2023 and started analyzing both sectoral and location-based biodiversity risks of Koç Group Companies.

Sectoral Impacts

As a first step, a study on the impact of the sectors in which we operate was conducted. The main and ancillary activities of group companies were identified using the ISIC (International Standard Industrial Classification of All Economic Activities) database. Our biodiversity task force selected sectors relevant to our production activities and evaluated them in terms of significance and impact scores in five main areas, as determined by the Science Based Targets for Nature (SBT-N). Through this analysis, we identified our Group Companies' activities with the highest risk scores and mapped our major hotspots in terms of sectoral relevance to topics. As a result, we found out the following:

- All sectors (consumer durables, energy, automotive) have very high impact relationship with climate change.
- While energy sector has very high impact on resource use, consumer durables and automotive sectors have high impact on resource use.
- Electricity generation sector has very high impact on land/water/sea use change and high impact on water & soil pollutants.
- Other companies in the energy sector has high impact on terrestrial use.
- In general, our sectors of operation have medium impact on Pollution (Water Pollutants, soil pollutants, solid waste) and Invasives (disturbances, biological alterations)

Sectoral Dependencies

After identifying the sectors with the highest impact on biodiversity, the dependency of our Group Companies' activities on biodiversity, species and natural preservation areas were analyzed using the WWF Biodiversity Risk Filter.

Key findings are as follows:

- All sectors except transportation services have high dependency on Pollution.
- Transportation services sector has high dependency on landslides and tropical cyclones, while the rest have medium dependency.
- Electric and Energy Production sector has high dependency on water scarcity, while all the rest have medium dependency.
- Electric and Energy Production, Transportation Services, and Oil & Gas sectors are highly dependent on land, freshwater and sea use change, protected / conserved areas, and indigenous people.
- Transportation Services and Oil & Gas sectors are additionally highly dependent on tree cover loss.

Biodiversity & Deforestation

Assessment of species and biodiversity areas

Finally, risks posed by Koç Holding's facilities to ecosystem types and protected areas in their respective locations were analyzed using the Integrated Biodiversity Assessment Tool (IBAT) tool and their significance levels were highlighted. The resulting report from IBAT encompassed all identified flora and fauna species within a 50 km radius of each facility, as well as the number of protected or significant biodiversity areas in proximity to our facilities categorizing them based on their risk levels according to the International Union for Conservation of Nature and Natural Resources (IUCN) Red List classifications.

As a result of the assessment, our key findings are as follows:

- 10 out of 51 facilities were found to be within a 50 km radius of at least one protected area, with 16 critically endangered species and 55 protected areas identified in their vicinity.
- All of the Koç Group facilities that were assessed are located within 50 km of three or more Critically Endangered and Endangered species.
- 20 of our facilities are within 50 km of 100 or more species listed in the IUCN Red List.
- Three of our facilities are within 50 km of multiple conservation areas.
- None of our facilities are within 50 km of Regional Seas, MAB (Man and the Biosphere Programme), or World Heritage sites.
- All of our facilities except one are within 50 km of Key Biodiversity Areas.
- All of our facilities except one are not within 50 km of any Alliance For Zero Extinction Sites.

Moving forward, we remain dedicated to continually monitoring and improving our environmental performance to ensure the long-term health and resilience of ecosystems within and around our facilities.

After defining our impact and dependencies, our next actions involve creating a comprehensive strategy for minimizing our impact on ecosystems taking into account globally accepted frameworks, prioritizing specific locations for biodiversity conservation efforts and working together with stakeholders to encourage sustainable practices throughout our operations.

Across the Group Companies, Arçelik aims to improve its biodiversity footprint towards No Net Loss as of 2050 especially in areas in close proximity to key biodiversity protected areas. Ford Otosan has published its Biodiversity Strategy in 2023 and Tüpraş, in line with its Biodiversity Guide created in 2021, began monitoring its biodiversity impacts through the Sustainability Committee's Climate Change Task Force, utilizing tools such as the SBT-N Materiality Tool and IBAT. In 2023, Yapı Kredi, which became a member of the Finance for Biodiversity Foundation, was the first financial company from Turkey to join the foundation and began actively participating in working groups.

Biodiversity & Deforestation

Deforestation

Arçelik, Group Company in the consumer durables sector, is dedicated to eliminate deforestation within its activities. Arçelik is committed to no gross deforestation from its operational activities by 2050. The company has conducted a deforestation assessment to measure the scope of activities affecting deforestation along the value chain. As a result of this impact assessment, the paper packaging and wood-based packaging materials have been determined as the main impact of Arçelik's activities.

The company incorporates the following principles to achieve this goal;

- Arçelik continues to use only paper/cardboard/wooden packaging from more sustainable sources certified by global third-party certification systems such as the Forest Stewardship Council (FSC) or other national schemes under the framework of the Programme for the Endorsement of Forest Certification (PEFC) for its product packaging.
- Using recycled cardboard outer boxes for its product boxes.
- Decreasing wooden plate consumption for its product packaging.
- The supply chain is monitored to encourage no deforestation.
- Having enabled its significant suppliers* to switch to recycled cardboard outer boxes for their products.
- Arçelik regularly monitors the progress towards its biodiversity and deforestation goals.

Arçelik's "**Biodiversity and No Deforestration Policy**" is endorsed by Board of Directors of Arçelik.

In the upcoming term, Koç Holding Sustainability team aims to work with the Biodiversity & Deforestation Task Force with regards to the risk, opportunities, dependencies, and impact assessment to establish the Group-wide approach on deforestation.

* Corresponding to 90% of purchasing volume.

Strengthen communities. Together

Strengthen communities. Together

The Koç Group believes that a strong and stable society structure is the most fundamental factor for success in the business world. From this point of view, it has pioneered a wide array of social investments over the years and focused on large-scale programs to make a difference in the society. The effectiveness and scalability of social investments is central in the implementation of the "Lead. Together" strategy. In this context, the **Koç Group Community Investment Policy** has been prepared to develop social investments within the framework of common principles. While making community investments, in line with the policy, Koç Group companies consider the following:

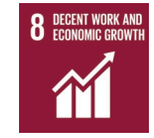
- whether the relevant Community Investment is compatible with the priorities and needs of the regions where business activities are carried out,
- providing a clear connection between Community Investment activities and business strategy,
- establishing strong partnerships with civil society organizations, international organizations, universities, or individuals in order to put forward applicable solutions,
- ensuring that the objective and results of the Community Investments are measurable and scalable by design, and the results have the potential to be disseminated across other businesses and regions and
- ensuring that they are aligned with social and environmental goals, as mentioned in the UN Sustainable Development Goals.

Through our community investments, we aim to create sustainable, scalable and replicable models for lasting impact in the five focus areas of "Lead. Together" - digital transformation, innovation, future talent, diversity & inclusion and low-carbon transition. We focus on the societal effects of complex issues material to Koç Group and collaborate with stakeholders to increase the prosperity and equality in the world, where we do business. By doing so, we aim to create shared benefits for society and our business.

In this direction, we have focused on the impact of rapid advances in technology on society in recent years, particularly in line with the Group's agenda on digital transformation and innovation. Rapid changes in technology raise opposing scenarios for the future. On one hand, there may be a future which is fairer, more equal, inclusive and where everyone lives in prosperity; in the converse scenario, there may be further widening in the gap between countries, regions and societies. In order to reach the SDGs, it is imperative that all stakeholders are aware of these different scenarios and act together to ensure the positive scenario is realized.

We aim to take maximum advantage of the opportunities offered by digital technologies. In this context, besides transforming the Group's business, it attaches importance to creating a rippling impact on the whole society, starting with employees, distributors and suppliers; the Group conducts studies to contribute to the strengthening of all those it can reach with technology, by adapting to change.

In 2021, Koç Holding became one of the Action Coalition Leaders on Technology and Innovation of the Generation Equality Forum that steers UN Women's gender equality initiatives.



The Generation Equality Forum
Action Coalition on Innovation and Technology for Gender Equality

Koç Holding is one of the leaders of the Generation Equality Forum, established by UN Women in 2021, which steers the gender equality initiatives based on a 5-year action agenda.

Within this scope, Koç Holding, a leader among the Technology and Innovation Action Group, has taken on another significant role in global efforts to achieve gender equality, following its involvement in HeForShe.

The Generation Equality Forum, is a global, multi-stakeholder initiative coordinated by UN Women, brings together civil society, governments, international organizations and the business world for gender equality.

UN Women aims to accelerate progress toward gender equality by 2030 in line with the vision set forth by the Generation Equality Forum and the Beijing Declaration and Platform for Action.

Led by Koç Holding, the Action Coalition works on transformative steps and projects in technology and innovation for eradicating the obstacles to gender equality. In addition, the roadmap and five-year goals were set for global roll out. Koç Holding announced three commitments in this context:

- **To develop a global blueprint that can be used to ensure that innovation efforts are responsive to gender:** To fulfill this commitment, Koç Group innovation managers involved in the development of the **Gender Transformative Innovation Guide**, a joint effort created in collaboration with private sector and civil society organizations that are members of the Generation Equality Forum's Action Coalition on Technology and Innovation for Gender Equality.
- **To endorse Koç Group Companies to carry their ongoing projects and future-oriented plans towards women and girls in technology and innovation into the global network of the UN Women Generation Equality Forum, and to become global commitment makers for solutions:** To fulfill this commitment, eight Koç Group companies capable of influencing their respective sectors, namely Aygaz, Arçelik, Ford Otosan, Koçfinans, Tofaş, Tüpraş, TürkTraktör and Yapı Kredi, announced their commitments globally within the scope of the UN Women's Generation Equality Forum.

  Over 30 programs are being implemented to reach out to a total of 500,000 women and girls and to increase the representation of women in technology and innovation by 2026.

  In addition, the commitment maker companies committed to set minimum targets of 30% women representation in their technology and innovation departments focusing on the fields of science, technology, engineering, and mathematics (STEM). (The exactratios of the commitment maker companies are covered in detail in **page 171**)
- **To support the women innovators to narrow the gender gap in technology and innovation:** To fulfill this commitment, thirteen women-led startups have been supported under the regional BOOST program, a joint initiative of UNDP and Koç Holding, and implemented in partnership with Koç University Entrepreneurship Research Center (KWORKS) between 2021 and 2024. Under the program, women entrepreneurs received leadership, business development, impact and behavioral insight, mentoring and grant support. While one participating innovator received a grant, investor presentation preparations have been completed for all participants and investor meetings have been organized. Work is ongoing to scale up learnings and experiences from the program across regional and global innovation ecosystems.

Hope Cities

Following the earthquakes in Southeastern Turkey on February 6, 2023, Koç Holding carried out relief efforts in coordination with public institutions. After the emergency aid phase, in collaboration with AFAD (Disaster and Emergency Management Authority) and the Group Companies, Koç Holding established the Hope Cities consisting of 5,000 container houses in Adıyaman, Hatay, İskenderun, Kahramanmaraş and Malatya. Life in Hope Cities continues in 2024 as well.

Hope Cities include accessible and inclusive social units that are responsive to gender equality, prioritize the needs of children and youth, and strengthen employment and economic participation. These social units operate in cooperation with public institutions, civil society organizations, and national and international organizations.

Sports Schools

The sports schools and fields established by KTSK (Koç Group Sports Club) in football, basketball, volleyball and athletics branches have enabled young people and children living in Hope Cities to discover their own talents and participate in sports activities.

Approximately 800-900 young people continue to have access to sports activities and equipment support through the sports schools located in four Hope Cities. 16 trainers working across 4 disciplines branches provide a total of 36 hours of sports training per week. In addition to the regular training provided at the sports schools, special events, national holiday celebrations, and tournament participations are continuing to take place.

Uninterrupted Education and Support Activities for Youth and Children

Schools established within Hope Cities, provide students with the opportunity to continue their education without interruption. In addition to schools, there are also educational units and activity areas that offer creative learning and motivational support to help children attain 21st century skills. There are specially designed container classrooms for children with autism in schools where needed.

In each Hope City, modern and technological settings have been created with specially equipped classrooms enabling students to take “Technology Design” classes in line with the curriculum. In these specially designed classrooms, students have access to an educational environment where they can explore their interest in technology while also taking their classes in accordance with their respective curricula. Additionally, libraries also serve the residents of Hope Cities wishing to spend a beneficial and quality time.

Youth centers offer psychosocial support service and various activities for children and young people aged 15-24. Group work, art and drama activities, family education sessions and psychological support groups are organized at these centers to contribute to the emotional and social development of children and discover their potential.

Hope Cities

Vehbi Koç Foundation

As part of the Vehbi Koç Foundation Disaster Relief Fund, support projects focused on the development of children and youth living in Hope Cities were implemented. These projects provided opportunities such as course support, merit-based scholarships, educational coaching, learning materials, and sports equipment for all children and youth aged 0–18 residing in Hope Cities.

In 2024, the Vehbi Koç Foundation provided scholarship support to 288 high school students and 157 university students living in Hope Cities. Additionally, 625 middle and high school students received course support to prepare for exams. The Foundation also distributed educational packages, including reading books, school textbooks, and exam preparation materials, to 5,255 children. Furthermore, 884 students attending Koç Group Sports Club's sports schools received equipment support.

With support from Vehbi Koç Foundation, the Turkish Education Volunteers Foundation has implemented Vehbi Koç Foundation TEGV Learning Units in three Hope Cities. Workshops have been organized for children aged 0-3 and 4-5 and their caregivers, and efforts have been made to strengthen the capacities of NGOs and educators working in the field.

In addition to the initiatives targeting young people, Vehbi Koç Foundation, in collaboration with Koç University, launched the Community Health Volunteers Project to raise awareness of community health among residents of Hope Cities.

Vehbi Koç Foundation continues its work in coordination with Koç Group Companies and civil society organizations at Vehbi Koç Foundation Coordination Centers located in Hope Cities, aiming to support the well-being of children aged 0-18.

Koç Volunteers Movement

Koç Volunteers displayed exemplary solidarity, organizing various events to support the citizens in Hope Cities. More than 1,500 Koç employees from the Group companies volunteered for the projects, carrying out a number of meaningful initiatives at Hope Cities. Having provided online tutoring in Math, Turkish, Science and English lessons to 5th, 6th and 7th graders, Koç Volunteers continue to extend this support throughout the year. They have contributed to the children's education in summer schools organized in the summertime and reinforced social bonds by enthusiastically celebrating the holidays and national days with the residents. Koç Volunteers devotedly carry on with their volunteer work in a bid to enrich the social life and strengthen the solidarity culture at the Hope Cities.

Hope Cities

Women's Solidarity Centers and Employment Opportunities

Women's Solidarity Centers operating in partnership with UN Women and civil society organizations incorporate spaces such as textile and cooking workshops to increase women's participation in the economy and help them build on their existing skills. These centers also offer counseling and training services to support women's recovery processes.

Call Centers established by Group companies provide the opportunity to work and to build a career while living in Hope Cities. The establishment of customer service centers in Hope Cities has enabled many young people affected by the earthquake to go through the application and training process and secure full-time employment.

Hope Cities offer not just temporary settlement but also employment opportunities, thus providing time for individuals' empowerment. While Hope Cities is an example of rapid urban planning to meet post-disaster housing needs, it has also been a project involving planning, procurement, purchasing, logistics, operations, coordination, partnerships, and the contributions of thousands of employees through the Koç Volunteers Movement.

International Achievements

Hope Cities is a model where life continues and social solidarity takes concrete form. This model has also been recognized on international platforms. It was named in the World Economic Forum's **Social Value Guide** as the only example from Turkey.

Additionally, the project was awarded the Grand Prize in the 'Social Impact' category at the **Thomson Reuters Sustainability Awards**, which recognize initiatives that create real impact on business, community, and the environment.

Sustainability Foundations

Ethics, compliance and governance are key issues wwhich underpin all our activities, wherever we operate, and act as the foundations of our business success.

Corporate Governance

Robust corporate governance has always been of utmost importance for Koç Holding's long-term success.

Koç Holding Board of Directors (BoD) manages and represents the Company through its strategic decisions, taking into consideration particularly long-term interests in light of keeping the Company's risk-growth-profits balance at the most appropriate level through a rational and cautious risk management approach. Our BoD determines Koç Holding's strategic goals, identifies the human and financial resources needed to achieve them, and oversees the performance of management and the BoD, through quarterly strategic meetings.

For more information on Corporate Governance, please see **2024 Annual Report pg. 340-352**.

Board Structure

For detailed information on Board structure, activities and committees, please see **2024 Annual Report p.176-185**. Additional information on the Board structure in general can be found below.

The Board of Directors consists of 12 members (11 non-executive and 1 executive member being the CEO Levent Çakıroğlu) in accordance with the definition made in the CMB Corporate Governance Principles. Non-independent members compose 67% of the Board. As of end of 2024, there are three women, yet as per the Board Diversity Policy adopted in March 2021, Koç Holding aims to keep the ratio of the women in the Board of Directors at least 30% at all times.

At Koç Holding, the Board makes a self-assessment regarding its performance on an annual basis. As such, in 2024, the board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.

According to Article 11.2 of the Koç Holding Articles of Association; members of the Board of Directors can be elected for a maximum term of three years and any Director whose term of office is over may be re-elected. However, the three-year duration stated in the articles of association indicates the maximum allowance, in practice for many years the elections are made on an annual basis, i.e. for a term of only one year. As such, all Board Members on duty in 2024 were elected for one year at the General Assembly dated 18 April 2024 to serve until the General Assembly where the operations of 2024 were discussed.

The remuneration principles for the board of directors and key executives of the Company are determined by the ''Koç Holding A.Ş. Remuneration Policy for the Board of Directors and Executive Management" ("Remuneration Policy"). Koç Holding discloses the total compensation paid in accordance with the Remuneration Policy in its financial and annual reports as well as in its annual ordinary general assembly meeting, where the Remuneration Policy is submitted to the approval of the shareholders together with the payments made thereof. The Remuneration Policy does not contain change in control provisions for the foregoing.

Shareholders

Shareholder rights are regulated by the principles in Turkish Commercial Code, capital markets regulations and the Company's Articles of Association.

According to Article 15 of the Koç Holding Articles of Association, unless a higher quorum is required as per the Articles of Association, the meeting and decision quorums in all meetings of the general assembly shall be governed by the provisions of the Turkish Commercial Code and the regulations of the Capital Markets Board. Thus, ordinary decisions are adopted through the simple majority of a quorum representing at least 25% of the issued capital, and decisions to amend the articles of association must be adopted by the simple majority of a quorum representing at least half of the issued capital (unless a more specific provision of the law applies to the proposed amendment), and there is no supermajority vote requirement for the amendment of the Articles of Association.

The procedure for voting at the general assembly meetings is announced to shareholders at the start of the meeting. The company refrains from practices that will complicate voting rights and all shareholders, including those in foreign countries, are provided with the opportunity to cast their votes physically or electronically in the simplest and most appropriate way.
In general assembly meetings, Group A shares all have two voting rights per share, and Group B shares all have one vote per share, provided however, all shares only have one vote per share in decisions pertaining to the amendments to the articles of association, acquittal and initiation of lawsuits for liability. Articles of Association do not contain any provisions enabling cumulative voting method.

Koç Holding complies with the provisions of the Turkish Commercial Code and does not limit shareholders' right to call general assembly meetings. Accordingly, shareholders holding 5% of the issued capital may request the board of directors to convene a general assembly meeting, or the addition of an item to the general assembly agenda.

As Koç Holding is required to publicly disclose its general assembly agenda with the invitation letter 3 weeks prior to the general assembly meeting (excluding the publication and the meeting dates), requests regarding any additions to the general assembly agenda must be conveyed before such date.

Sustainability Foundations

Ethics and Compliance

Koç Group's portfolio and its growing geographical span require compliance with numerous local and international rules and regulations. Considering our engagement with a wide network of stakeholders, it is also crucial to earn our stakeholders' trust with high ethical standards in our business.

Our Compliance Program launched in 2021, sets out the rules, policies, and procedures which are the building blocks of our high compliance standards. With the Program, we aim to respond more effectively to our stakeholder expectations at local and international levels, monitor compliance risks more systematically, and carry out with the motto of "We do the right thing!". The Compliance Policy is prepared to establish a customized, comprehensive and effective compliance framework for Koç Group, and to demonstrate Koç Group's commitment to compliance with laws and regulations, internal policies, good corporate governance practices and ethical rules. The Koç Group Code of Ethics and other compliance policies including Sanctions and Export Controls, Anti-Bribery and Corruption, Prevention of Laundering the Proceeds of Crime, Financing of Terrorism and Weapons of Mass Destruction, Supply Chain Compliance, Human Rights, Personal Data Protection, Gifts and Entertainment, Whistleblowing, Donations, and Sponsorships, are intended to serve as a guide for all the Koç Group companies, employees, those acting on behalf of the Group and our business partners.

Code of Ethics and other Compliance Policies can be accessed **here.**

Koç Group's liabilities under the Compliance Program are not restricted solely to compliance with mandatory regulations or contractual obligations; it also covers compliance with third party contracts, organizational standards such as policies and procedures undertaken by the Koç Group or those that are voluntarily assumed.

Koç Holding Legal and Compliance Department monitors the compliance activities carried out throughout the Koç Group. In this way, we aim to identify the compliance risks that may affect the Group, take necessary measures, and implement the Compliance Program in an effective, equal, and consistent manner throughout the Group.

As a part of the Program, supported by the senior management of Koç Holding and Koç Group companies, departments and officers responsible for compliance were appointed. These individuals, together with their business units, are responsible for periodically conducting compliance risk assessments for relevant normative domains and analyzing the specific compliance risk exposure of activities, employees, and/or business partners. After these assessments are completed, if necessary, existing policies and procedures are revised and/or additional policies and procedures are prepared and adopted by Group companies. Documents and workflows are updated, and compliance trainings are provided regularly on issues with high risk. Tailor made compliance reviews and analysis take into account Koç Group's fingerprint. This includes, but is not limited to, its own characteristics, complexity, risks, risk appetite, governance, business lines, products and services, the industry sector, market competitiveness, regulatory landscape, potential customers and business partners. Additionally, it considers transactions with foreign governments, payments to foreign governments, use of third parties, gifts, travel and entertainment expenses, and charitable contributions.

Reports and results related to the Compliance Program are regularly reported to the Risk Management Committee.

Any non-compliance with the Code of Ethics and Compliance Policies can be reported to Koç Group Ethics Hotline (koc.com.tr/hotline). Koç Group Ethics Hotline is available in more than 50 countries, in 34 languages online and in 19 languages via phone to all Koç Group companies' employees, business partners, and other stakeholders around the world. Ethics Hotline is managed by an independent third-party that allows anonymous reporting. The Group's employees and stakeholders are protected against potential retaliation in connection with their reports.

In 2024, a total of 1,622* cases were reported to the Ethics Hotline. Of these raised issues, as of April 2025, 1,517 of them have been reviewed and/or investigated. The breakdown of the raised issues and the outcome of the reviews/investigations are as follows:

Issues Raised by Type**	
Unfair Practices Against Employees	1,000
Acts Against the Interest of the Company	411
Non-compliance Actions of Business Partners	123
Regulatory Breaches	88

Outcome of Reviews/Investigations	
Unconfirmed/Unverified	592
Confirmed/Verified	293
Not Compliance Related	504
Unable to investigate due to lack of sufficient information	50
Customer Complaints	78

Koç Group aims to protect its employees and stakeholders and take action when there is a breach of its policies.

Accordingly, below actions and precautions have been taken in response to those cases where there is a substantiation of breach:

Internal Disciplinary Action	70
Legal Action	1
No Action Recommended	70
Policy/ Process Improvement	92
Termination of Job Contract	53
Training	7

The table below shows the "Human Rights" related cases that have been investigated and as a result, confirmed or verified:

Corruption or Bribery	0
Discrimination or Harassment	16
Customer Privacy Data	1
Conflicts of Interest	5
Money Laundering or Insider trading	0
Health and Safety	3
Violence	1

To ensure that the Compliance Program is adopted by all stakeholders and to reinforce the compliance culture in the Group we communicated the Compliance Program to employees and organized interactive online and face to face trainings in the following areas: Code of Ethics, Anti Money Laundering, Anti-Bribery and Corruption, Human Rights, Sanctions and Export Controls, Competition Law, Data Privacy. As of 2025, in order to prevent psychological harassment (mobbing) and to enhance awareness on the matter, the 'Culture of Respect in the Workplace' training has been made available online to all employees. Technical and professional training programs are also regularly provided to employees responsible for compliance within Koç Group companies.

* Includes the notifications related to the Companies which are controlled directly or indirectly, jointly or individually by Koç Holding A.Ş. and the joint venture companies listed in its latest consolidated financial report.

** Please see Koç Group Whistleblowing Policy for the definitions, reporting structure and the investigation process.

Human Rights

We are committed to respecting fundamental human rights in our operations and value chain. In this context, Koç Group gives priority to the following international standards and principles related to human rights:

- UN Guiding Principles on Business and Human Rights (2011),
- UN Global Compact (2000),
- ILO Declaration on Fundamental Principles and Rights at Work (1998),
- Women's Empowerment Principles (2011),
- Worst Forms of Child Labor Convention (No. 182),
- OECD Guidelines for Multinational Enterprises (2011).

The Human Rights Policy prepared under the Compliance Program is a guide that reflects Koç Group's approach and standards related to human rights. As per our Code of Ethics and the Human Rights Policy, Koç Group acts in accordance with global ethical principles on issues such as recruitment, promotion, career development, pay, benefits, and diversity, and respects the rights of its employees to establish non- governmental organizations and become union members of their own choice. We have zero tolerance for forced labor, child labor, or any form of discrimination or harassment.

Stakeholders may report non-compliance with the Human Rights Policy to their senior manager or to the Koç Group Ethics Hotline. The Koç Holding Human Resources Directorate is responsible for implementing the Policy.

The Koç Group Human Rights Policy is developed in line with international standards. We expect all of our business partners to comply with this policy. In addition, the Supply Chain Compliance Policy draws a general framework on human rights, discrimination, harassment, freedom of association, forced labor, and child labor. Within this scope, all Koç Group employees and executives are covered under the Koç Group Human Rights Policy. In addition, each Koç Group company also expects and takes the necessary steps to ensure that all of its Business Partners - to the extent applicable - comply with and/or act in accordance with the Human Rights Policy.

As part of the compliance risk analysis, the adequacy of controls is regularly evaluated based on the likelihood and potential impact of human rights risks. Our methodology for assessing compliance risks, including those related to human rights, includes the following steps:

- Inventory studies to identify the applicable relevant legislation and current internal policy and procedures, workflows and sub-processes,
- An assessment is conducted according to a questionnaire distributed to employees, chosen through judgmental sampling according to various criteria such as job titles, job descriptions, and total job experience, Subsequently, a preliminary Risk Control Matrix is formulated based on these responses and the findings of the inventory study.
- Identifying the specific sub-processes related to Human Rights, and determining and prioritizing the current control points,
- Reviewing sample-based supporting documentation for the designated control points, identifying areas prone to errors and discrepancies,
- Conducting individual meetings and workshops to assess the impacts (financial, reputational, customer-related, operational, and employee-related) and likelihood (internal controls, abuse and errors, human resources, automation, and integration) of the current controls related to Human Rights,
- Benchmarking peer local and global companies,
- Documenting the results with recommendations, presenting to the management and closely following up on a periodical basis.

Koç Holding's Legal and Compliance Department monitors the Compliance risk analysis carried out by the Koç Group companies and while evaluating the results, also takes into account the Koç Group's relevant indicators, internal audit reports and case-related investigations, Compliance cases and control results in order to identify potential compliance-related risks and take the necessary precaution.

Appendices

Reporting Guide

This Reporting Manual (“Manual”) outlines the reporting principles, scope, and methodologies applied in the preparation of Koç Holding’s 2024 Sustainability Report. Where applicable, the report also aligns with the **Global Reporting Initiative (GRI) Standards and Stakeholder Capitalism Metrics** developed by the World Economic Forum.

In addition, to support stakeholder understanding and demonstrate cross-framework alignment, the report includes a **GRI-ESRS interoperability reference table**. While Koç Holding does not declare compliance with the European Sustainability Reporting Standards (ESRS), this mapping aims to show how our disclosures correspond to key ESRS topics and indicators, improving transparency and comparability across reporting frameworks.

This report covers the period between **January 1 and December 31, 2024**. Where necessary, previous years’ data are included for comparison purposes.

The performance data, unless otherwise specified, includes the following Koç Group Companies and their subsidiaries including both domestic and international operations: **Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, Yapı Kredi**. These companies represent approximately **90% of the total number of Koç Group employees and ~94% of combined revenues.**

Scope 1 & 2 emissions and OHS data presented in this report covers all the subsidiaries, ensuring 100% alignment with the entities included in Koç Holding 2024 Consolidated Financial Statements

For each metric disclosed, the entities included within its reporting scope are specified. This information is provided in metric-specific tables or footnotes for transparency and auditability.

Reporting Guide

Methodology

Data disclosed in this report is compiled using a combination of actual and modeled values. Each KPI is subject to methodology that includes the following components:

- **Data Collection for Environmental, Social and Governance Metrics:** Environmental data collected from Group Companies via centralized external data platform. Social and OHS data is centrally collected from Koç Holding HR and OHS functions. Where qualitative information is used, it is based on internal policies, stakeholder engagement, and risk assessments.
- Verified by responsible units within each reporting company before being submitted to Koç Holding.
- **Financial Data:** Financial figures align with Koç Holding's 2024 Annual Report unless otherwise specified.
- **Calculation Standards:** All environmental data (e.g., GHG emissions, energy, water, etc.) are calculated and consolidated if necessary, using internationally recognized standards such as the GHG Protocol, IPCC Guidelines, or local regulatory frameworks, unless otherwise stated.
- **GHG Emissions:** For emission factors, Group Companies use IEA 2024 (Based on 2022) emission factors.

Scope 1 and 2: All companies in scope of the financial consolidation are included in Scope 1 and 2 consolidations.

- Emissions data is collected from Group Companies, where possible.* For the rest of the companies listed on "**APPENDIX: KOÇ Group Consolidation"**, revenue-based emissions are calculated using EEIO emissions factors in GHG Protocol. One limitation of this method is that for some sectors, EEIO factors do not exist, but the sum of revenues for such sectors make up below the determined materiality threshold.

Scope 3: For this reporting period, Group Companies' Scope 3 data (except KoçSistem and Yapı Kredi – Category 15) has been disclosed.

All reported data is reviewed by Koç Holding's Sustainability and Stakeholder Relations Department and validated by internal control mechanisms. Selected metrics are subject to limited assurance by an independent third-party assurance provider. Assurance scope and results are disclosed in the "Independent Assurance Statement" section of the report.

Data Transparency

Each metrics presented in the report includes:

- The **name and definition** of the indicator
- The **data source** and **calculation methodology**
- The **reporting boundary** (i.e., which companies are included)

This structure ensures traceability and clarity for internal and external users.

* Emissions data is collected for Koç Holding, the following subsidiaries: Arçelik, Aygaz, Divan, Entek, KoçSistem, Otokar, Otokoç, Tüpraş, Yapı Kredi, Wat Motor and the following joint ventures: Arçelik-LG, Ford Otosan, Opet, Tofaş, TürkTraktör.

Key Definitions

Type	Indicator	Scope
Environmental	**Greenhouse Gas Emissions (tCO_2e)** This section presents the consolidated GHG emissions of Koç Group companies, including Arçelik, Aygaz (including subsidiaries), Entek, Ford Otosan, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi. **Emissions indicator definitions are based on GHG Protocol.**	
	Total Scope 1 Emissions	This indicator refers to all direct greenhouse gas emissions from sources that are owned or controlled by the company, such as emissions from company vehicles and on-site fuel combustion.
	Scope 1: Stationary Combustion	This indicator refers to direct GHG emissions from the combustion of fuels in stationary equipment owned or controlled by the company. **Fuel Consumption × Emission Factor**
	Scope 1: Fugitive Emissions	This indicator refers to direct GHG emissions resulting from the unintentional release (leakage) of refrigerant gases from refrigeration and air conditioning (RAC) equipment. **Quantity of Refrigerant Leaked (kg) × GWP of Refrigerant**
	Scope 1: Mobile Combustion Emissions	This indicator refers to direct GHG emissions from the combustion of fuels in owned or controlled mobile sources, including both on-road and non-road vehicles that fall within the company's organizational boundaries. **Fuel Consumed × Emission Factor** **Distance Traveled × Fuel Consumption per km × Emission Factor**
	Total Scope 2 Emissions – location-based	This indicator refers to indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, and cooling, calculated using emission factors specific to contractual instruments or supplier-specific attributes. **Total Electricity/Heat/Steam Consumption × Emission Factor**
	Total Scope 2 Emissions – market-based	This indicator refers to indirect greenhouse gas emissions from the generation of purchased electricity that is not sourced from renewable energy, steam, heating, and cooling, calculated using emission factors specific to the contractual instruments or supplier-specific information. **Total Electricity/Heat/Steam Consumption (excluding renewable energy under credible contracts) × Emission Factor**
	Total Scope 1 and 2 Emissions of Subsidiaries Owned by Koç Group Companies	This indicator refers to the combined direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions from all the subsidiary entities under the ownership and control of Koç Group companies.
	Greenhouse Gas Intensity per Revenue (ton CO_2e/million TL consolidated revenue)	This indicator represents the ratio of total Scope 1 and Scope 2 (market-based) greenhouse gas emissions to the total consolidated revenues in million TL as reported in its financial statements for the reporting period. **(Total Scope 1 Emissions + Total Scope 2 Emissions [market-based]) / Total Consolidated Revenue (million TL)**

Key Definitions

Type	Indicator	Scope
Environmental	Total Scope 3 Emissions	This indicator refers to all indirect greenhouse gas emissions that occur in the value chain of the reporting company, excluding those covered in Scope 2, including both upstream and downstream activities such as purchased goods and services, business travel, and product use.
	Scope 3 – Category 1: Purchased Goods and Services	This indicator refers to the total greenhouse gas emissions arising from the procurement of goods and services, including raw materials, intermediate products, and services, required for the operational activities. **Mass or Units Purchased × Cradle-to-Gate Emission Factor** **Spend × EEIO Emission Factor**
	Scope 3 – Category 2: Capital Goods	This indicator refers to the greenhouse gas emissions associated with the production of capital goods—such as machinery, and equipment—purchased by the Group companies. **Capital Goods Purchased × Cradle-to-Gate Emission Factor Capital Expenditure × Capital Goods Emission Factor**
	Scope 3 – Category 3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or 2)	This indicator refers to the upstream (well-to-tank) emissions from purchased fuels and emissions from the transmission and distribution of purchased electricity, calculated in accordance with relevant emission factors. **Fuel or Electricity Consumed × Upstream Emission Factor**
	Scope 3 – Category 4: Upstream Transportation and Distribution	This indicator refers to the emissions arising from the transportation of purchased goods, raw materials, and equipment from suppliers to the Group Companies' facilities. **Tons × Distance × Mode-specific Emission Factor** **Freight spend × Emission Factor (if distance/weight unavailable)**
	Scope 3 – Category 5: Waste Generated in Operations	This indicator refers to the greenhouse gas emissions associated with the treatment, transportation, and disposal of hazardous and non-hazardous waste generated by the Group Companies' operational activities. **Waste Type × Quantity × Waste Management Emission Factor**
	Scope 3 – Category 6: Business Travel	This indicator refers to the emissions resulting from employee business travel—including flights, train journeys, and rental vehicles—tracked via travel agency records or mileage reports. **Travel Distance × Mode-specific Emission Factor** **Travel spend × Emission Factor (if distance unknown)**
	Scope 3 – Category 7: Employee Commuting	This indicator refers to the emissions generated by employees commuting between their residences and workplaces, based on distance traveled and commuting methods (e.g., shuttle services). **Number of Employees × Average Distance × Commuting Days × Mode-specific Emission Factor**

Key Definitions

Type	Indicator	Scope
Environmental	Scope 3 – Category 8: Upstream Leased Assets	This indicator refers to the emissions from assets leased by the Group companies, such as buildings or vehicles, for which operational control is not held, and which are accounted for as upstream emissions. **Fuel or Electricity Consumption in Leased Assets × Emission Factor**
	Scope 3 – Category 9: Downstream Transportation and Distribution	This indicator refers to the emissions associated with the distribution of sold products to end customers, including transportation by road, sea, or air. **Tons × Distance × Mode-specific Emission Factor**
	Scope 3 – Category 10: Processing of Sold Products	This indicator refers to the emissions that occur when sold products are further processed or transformed by downstream users before reaching their final form. **Quantity of Intermediate Products Sold × Processing Emission Factor**
	Scope 3 – Category 11: Use of Sold Products	This indicator refers to the greenhouse gas emissions generated during the use phase of the Group companies sold products, such as electricity for household appliances or fuel consumption for automobiles by the end user. **Expected Lifetime Use × Energy Consumption per Use × Emission Factor**
	Scope 3 – Category 12: End-of-Life Treatment of Sold Products	This indicator refers to the emissions resulting from the disposal or recycling of the Group companies sold products at the end of their useful life. **Mass of Sold Product × Material-specific Disposal Emission Factor**
	Scope 3 – Category 13: Downstream Leased Assets	This indicator refers to the emissions from assets owned but operated by third parties under lease agreements, where operational control lies with the lessee. **Energy Use by Lessees × Emission Factor**
	Scope 3 – Category 15: Investments	This indicator refers to the emissions associated with the Koç Group companies' investments in subsidiaries, joint ventures, or other financial assets, based on the proportion of ownership or control. **[(Scope 1 + 2 + 3 of Investee) × Ownership Share or Attribution Factor]**
	Koç Group Total Scope 1&2&3 Emissions	This indicator refers to the aggregate of all direct (Scope 1), indirect from purchased energy (Scope 2), and all other indirect (Scope 3) greenhouse gas emissions across the entire value chain of Koç Group companies.

Key Definitions

Type	Indicator	Scope
Environmental	**Energy Savings (million GJ)** This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	Energy Savings	This indicator refers to the reduction in energy consumption as a result of implementing efficiency measures, conservation practices, or using energy efficient technologies.
	GHG Emission Savings (thousand-ton CO_2e)	This indicator refers to savings in greenhouse gas emissions, measured in thousands of metric tons of carbon dioxide equivalent (CO_2e), achieved through energy savings practices implemented during the reporting year among Group Companies.
	Energy Consumption (million GJ) This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	Total Energy Consumption (GJ, MWh)	This indicator refers to the sum of total amount of energy consumed from renewable and non-renewable sources, measured in gigajoules (GJ), after accounting for any energy produced and sold or transferred to the grid.
	Net Renewable Energy Consumption (GJ)	This indicator refers to the total amount of energy consumed from renewable sources, measured in gigajoules (GJ), after accounting for any energy produced and sold or transferred to the grid.
	Net Non-Renewable Energy Consumption (GJ)	This indicator refers to the total amount of energy consumed from nonrenewable sources, measured in gigajoules (GJ), after accounting for any energy produced and sold or transferred to the grid.

Key Definitions

Type	Indicator	Scope
Environmental	**Water Withdrawal, Discharge and Consumption (thousand m³)** This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi. **Water indicator definitions are adapted from CDP water security reporting guidance, 2023, based on ISO 14046:2014, except "Reclaimed water" which is adapted from USGS, and "Recycled Water" adapted from ESRS E3.**	
	Surface Water Withdrawal (thousand m³)	Includes water from wetlands, rivers, and lakes. Fresh surface water is naturally occurring water on the earth's surface in ice sheets, ice caps, glaciers, iceburgs, bogs, ponds, lakes, rivers, and streams, and has a low concentration of dissolved solids.
	Ground Water Withdrawal (thousand m³)	This indicator refers to the amount of water which is being held in, and can be recovered from, an underground formation.
	Sea Water Withdrawal (thousand m³)	This indicator refers to water withdrawn from the seas or oceans. It refers to surface water in which the concentration of salts is high and far exceeds normally acceptable standards for municipal, domestic or irrigation use (at least higher than 10,000 mg/l TDS). Seawater has a typical concentration of salts above 35,000 mg/l TDS.
	Third Party Water Suppliers Withdrawal – Potable (thousand m³)	This includes potable water provided by municipal water suppliers, public or private utilities from freshwater sources.
	Third Party Water Suppliers Withdrawal - Reclaimed (thousand m³)	Reclaimed water is wastewater treatment plant effluent diverted for beneficial use instead of being released to a natural waterway or aquifer. This includes water provided by municipal water suppliers, public or private utilities, and wastewater from any other organization. (Adapted from USGS)
	Rain Water Capture (thousand m³)	This indicator refers to the amount of precipitation captured within the site boundary and harvested for use to supplement potable water.
	Produced Water (thousand m³)	Water which enters the organization's boundary as a result of the extraction, processing, or use of any raw material, so that it must be managed by the organization. This water should not be counted as recycled water when put to use within a single cycle of a business process.
	Total Water Withdrawal (thousand m³)	This indicator refers to the total amount of water withdrawn by an organization from the following sources: surface water, ground water, sea water, 3rd party suppliers, rain water, and produced water, for use in its operations, including manufacturing processes, cooling systems, and sanitation facilities.
	Discharge to Third Party (thousand m³)	This includes water discharged to municipal wastewater plants, public or private utilities, and other organizations involved in the transport, treatment, disposal, or further use of wastewater.
	Discharge to Surface Water (thousand m³)	Includes water discharged to wetlands, rivers, and lakes. Fresh surface water is naturally occurring water on the earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams, and has a low concentration of dissolved solids

Key Definitions

Type	Indicator	Scope
Environmental	Discharge to Ground water (thousand m^3)	Discharges to water which is being held in, and can be recovered from, an underground formation.
	Discharge to Sea Water (thousand m^3)	Includes discharges to surface water in which the concentration of salts is high and far exceeds normally acceptable standards for municipal, domestic or irrigation use (at least higher than 10,000 mg/l TDS). Seawater has a typical concentration of salts above 35,000 mg/l TDS.
	Total Water Discharge (thousand m^3)	This indicator refers to the total release of wastewater or treated water from industrial operations into the receiving environment, requiring monitoring and management to minimize environmental impact and ensure compliance with regulatory standards. It is the sum of water discharge to surface water, ground water, sea water, 3rd party.
	Recycled Water	Water and wastewater (treated or untreated) that has been used more than once before being discharged from the undertaking's boundary. This may be in the same process (recycled) or in a different process within the same facility or another of the undertaking's facilities (reused).
	Ratio of Reclaimed Water to Total Water Withdrawal (%)	This indicator refers to the percentage of total water withdrawn by reclaiming wastewater from 3rd party water suppliers. It is calculated by dividing "3rd Party Water Suppliers – reclaimed" by "Total Water Withdrawal"
	Water Consumption (thousand m^3)	This indicator refers to the total amount of water used by an organization in its operations, including manufacturing processes, cooling systems, and sanitation facilities, with a focus on optimizing usage efficiency to mitigate environmental impact and resource depletion. Consumption = Withdrawal – Discharge
	Areas under water stress	This statement refers to areas under HIGH and EXTREMELY HIGH water scarcity according to the basin-based risk assessment results conducted in line with WRI's Aqueduct and WWF's Water Risk Filter.

Key Definitions

Type	Indicator	Scope
Environmental	**Waste by Type (tons)** This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş(including subsidiaries), TürkTraktör, and Yapı Kredi.	
	Total amount of waste (ton)	Total amount of waste is the sum of total waste recycled/reused AND total waste disposed.
	Total Waste Recycled/Reused	This indicator refers to the quantity of waste materials diverted from disposal through recycling or reuse initiatives, reflecting the organization's commitment to resource conservation, waste reduction, and circular economy principles, ultimately contributing to environmental sustainability and operational efficiency
	Recovered and Recycled Hazardous Waste (R code)	This indicator refers to the amount of hazardous waste recovered and recycled by licensed waste processing facilities with the code “R” during the reporting period, which is declared to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey with the Waste Declaration for the Company's Turkey operations
	Recovered and Recycled Non-Hazardous Waste (R code)	This indicator refers to the amount of non-hazardous waste recovered and recycled by licensed waste processing facilities with the code “R” during the reporting period, which is declared to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey with the Waste Declaration for the Company's Turkey operations
	Waste Recovery Ratio (%)	This indicator refers to the percentage of total waste generated by the Company during the reporting period that has been recovered through recycling, reuse, or other recovery methods. (**Total Waste Recovered / Total Waste Generated) × 100**
	Waste Disposed (tons) This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries),, TürkTraktör, and Yapı Kredi.	
	Total Waste Disposed	This indicator refers to the amount of waste materials generated by an organization that are sent to landfill or incineration facilities for final disposal, highlighting the need for waste reduction strategies, efficient resource utilization, and environmental stewardship to minimize negative impacts on ecosystems, public health, and natural resources.

Key Definitions

Type	Indicator	Scope
Environmental	Hazardous Waste Disposed (D code)	This indicator refers to the amount of hazardous waste subjected to recycling by the Company during the reporting period, which is declared to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey and followed by the "R" and "D" recycling codes determined by the Ministry of Environment from the invoices received from licensed waste processing facilities for the Company's Turkey operations.
	Non-Hazardous Waste Disposed (D code)	This indicator refers to the amount of non-hazardous waste subjected to recycling by the Company during the reporting period, which is declared to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey and followed by the “R” and “D” recycling codes determined by the Ministry of Environment from the invoices received from licensed waste processing facilities for the Company’s Turkey operations.
	Hazardous Waste Sent to Temporary Storage	This indicator refers to the designated quantity of potentially harmful materials generated by business operations, awaiting proper handling, treatment, or disposal, necessitating adherence to strict regulations and protocols to ensure safety, prevent environmental contamination, and maintain compliance with legal requirements.
	Non-Hazardous Waste Sent to Temporary Storage	This indicator refers to the volume of waste materials generated by business activities that do not pose immediate risks to health or the environment, held temporarily before further processing or disposal, emphasizing the importance of proper waste management practices to minimize environmental impact, optimize resource use, and comply with regulatory standards.
	Amount of Hazardous Solid Waste by Disposal Method (ton)	This indicator refers to the disposal method wherein potentially harmful materials including solid waste generated by business operations are subjected to high temperature combustion processes in specialized facilities, primarily for destruction purposes rather than harnessing the heat energy produced, requiring stringent controls to mitigate emissions and ensure compliance with environmental regulations and safety standards.
	Amount of Hazardous Liquid Waste By Disposal Method (ton)	This indicator refers to the disposal method wherein potentially harmful materials including liquid waste generated by business operations are subjected to high temperature combustion processes in specialized facilities, primarily for destruction purposes rather than harnessing the heat energy produced, requiring stringent controls to mitigate emissions and ensure compliance with environmental regulations and safety standards
	Amount of Non-Hazardous Solid Waste by DisposalMethod (ton)	This indicator refers to the disposal method where waste materials including solid waste generated by business operations undergo high-temperature combustion in specialized facilities solely for disposal purposes, without harnessing the resulting heat energy, necessitating careful management to control emissions and comply with environmental regulations while addressing waste management needs.
	Amount of Non-Hazardous Liquid Waste by Disposal Method (ton)	This indicator refers to the disposal method where waste materials including liquid waste generated by business operations undergo high-temperature combustion in specialized facilities solely for disposal purposes, without harnessing the resulting heat energy, necessitating careful management to control emissions and comply with environmental regulations while addressing waste management needs.

Key Definitions

Type	Indicator	Scope
Environmental	**Waste Disposed (tons)** This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	Hazardous Waste Incinerated with Energy Recovery	This indicator refers to the combustion of potentially harmful materials including both solid and liquid waste produced by business operations in specialized facilities, where the heat generated is utilized to produce energy, emphasizing a sustainable approach to waste management by simultaneously reducing waste volume, minimizing environmental impact, and generating useful resources to support operational needs or contribute to the energy grid.
	Non-Hazardous Waste Incinerated with Energy Recovery	This indicator refers to the process wherein waste materials including both solid and liquid waste generated by business operations undergo combustion in specialized facilities, with the resulting heat utilized to generate energy, showcasing a sustainable waste management approach that not only reduces waste volume but also contributes to resource efficiency and supports renewable energy production goals.
	Hazardous Waste Incinerated without Energy Recovery	This indicator refers to the volume of hazardous solid and/or liquid waste that is disposed of through incineration without capturing or utilizing the resulting heat for energy production.
	Non-Hazardous Waste Incinerated without Energy Recovery	This indicator refers to the quantity of non-hazardous solid and/or liquid waste that is incinerated in facilities where the heat generated is not recovered for energy use.
	Hazardous Waste Landfilled	This indicator refers to the disposal method where potentially harmful materials including both solid and liquid waste generated by business operations are deposited into designated landfill sites, necessitating careful handling, containment, and monitoring to prevent environmental contamination, protect public health, and comply with regulatory requirements for hazardous waste management and landfill operations.
	Non-Hazardous Waste Landfilled	This indicator refers to the disposal of waste materials including both solid and liquid waste generated by business activities into designated landfill sites, highlighting the need for responsible waste management practices to minimize environmental impact, optimize resource utilization, and comply with regulatory standards for landfill operations and waste disposal.
	ISO Certified Facilities This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi.	
	Number of ISO 14001 Certified Facilities	This indicator refers to the count of business establishments that have obtained official ISO 14001 certification for meeting specific standards or criteria related to environmental, social, or quality management systems, demonstrating their commitment to sustainability, operational excellence, and compliance with industry best practices to stakeholders and customers.
	Number of ISO 50001 Certified Facilities	This indicator refers to the count of business establishments that have obtained official ISO 50001 certification for meeting specific standards or criteria related to environmental, social, or quality management systems, demonstrating their commitment to sustainability, operational excellence, and compliance with industry best practices to stakeholders and customers

Key Definitions

Type	Indicator	Scope
	Total Number of Facilities	This indicator refers to the total count of physical locations or operational sites owned or managed by a business entity, encompassing manufacturing plants, offices, distribution centers, and other operational infrastructure, serving as a key metric for assessing the scale, scope, and geographic presence of the organization's activities.
Environmental	**Environmental Training** This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries),, TürkTraktör, and Yapı Kredi.	
	Number of Participants (Employees)	This indicator refers to the number of participants who participated in environmental trainings attended by Company employees.
	Number of Participants (Contractors)	This indicator refers to the number of participants who participated in environmental trainings attended by subcontractor employees.
	Total Training Hours (person*hours) (Employees)	This indicator refers to the total environmental training hours attended by Company employees.
	Total Training Hours (person*hours) (Contractors)	This indicator refers to the total environmental training hours attended by the Company's subcontractor employees.
	Environmental Expenditures and Investors Fines (Million TRY) This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries),, TürkTraktör, and Yapı Kredi.	
	Total OpEx	This indicator refers to total environmental operating expenses incurred by a company or organization in its day-to-day operations, including costs related to production, administration, marketing, research and development, and other operational activities.
	Total CapEx	This indicator refers to the total amount of environmental capital expenditures spent by a company or organization on acquiring, upgrading, or maintaining physical assets such as property, equipment, machinery, and infrastructure, typically for the purpose of improving operational efficiency or expanding capacity.
	Total Environmental Investments and Expenditures	This indicator refers to the expenses related to the measurement and analysis for environmental management, waste disposal, chemical substance disposal, personnel expenses, certification and permit expenses, consultancy and training expenses, maintenance and repair expenses, contract fees with service provider companies, and investments and expenses to protect the environment during the reporting period, which can be mapped with the Company's financial reporting systems.
	Financial Savings from Environmental Expenditures and Investments	This indicator refers to the monetary benefits or cost reductions realized by a company or organization as a result of implementing environmentally sustainable practices, technologies, or initiatives. These savings may include reductions in energy consumption, waste disposal costs, regulatory compliance expenses, and other related expenditures.

Key Definitions

Type	Indicator	Scope
Social	**Health and Safety Performance (Employees & Contractors)** This section covers all Koç Group companies, aligned with the financial consolidation.	
	Work Related Fatalities by Employees	This indicator refers to deaths that occur as a result of accidents or incidents involving employees during the course of employment or work-related activities.
	Work Related Fatalities by Contractors	This indicator refers to deaths that occur as a result of accidents or incidents involving contractors while performing tasks related to their contractual work or during work-related activities.
	Injury Rate (IR) by Employees and Contractors	The number of work-related incidents that require lost time or medical treatment beyond first aid per 1 million hours worked.
	Occupational Illness Frequency Rate (OIFR) by Employees and Contractors	The number of occupational diseases diagnosed by competent authorities per 1 million hours worked.
	Lost-time Injury Frequency Rate (LTIFR) by Employees and Contractors	The number of cases resulting in absence from the next shift or working day (evidenced by doctor's note received for the day after the accident and/or for more days) due to a workplace accident per 1 million hours worked.
	Total OHS Training Hours (hour)	This indicator refers to the total number of Occupational Health and Safety (OHS) training hours provided or organized directly by the company for both its employees and contractors' employees over the course of a calendar year. The value is calculated by multiplying the training duration by the number of participants.
	OHS Training Hours - Employees (hour)	This indicator refers to the total number of Occupational Health and Safety (OHS) training hours delivered or coordinated directly by the company for its own employees during a calendar year. The calculation is based on the number of employees multiplied by the duration of each training session.
	OHS Training Hours - Contractors' Employees (hour)	This indicator refers to the total number of Occupational Health and Safety (OHS) training hours provided or arranged by the company for contractor employees working under its operational control. Only trainings directly delivered or organized by the company are included. The total is calculated as the number of contractor participants multiplied by the training duration.
	Employee Demographics This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi.	
	Total Number of Employees	The indicator refers to the total number of employees, broken down into male and female.
	Total Number of Employees by Gender	This indicator refers to the total number of individuals employed by the Company at the end of the reporting period, disaggregated by gender
	Number of Employees by Salary Category	This indicator refers to the total number of employees under direct employment contracts, disaggregated by salary payment frequency consisting of weekly and monthly.
	Disabled Employees	This indicator refers to the number of employees who are defined as disabled in the Law No. 5378 on Disabled Persons for the Company's Turkey operations during the reporting period.

Key Definitions

Type	Indicator	Scope
Social	Workforce by Nationality	This indicator refers to the demographic composition of employees within a company categorized according to their respective nationalities, offering insights into the diversity, cultural representation, and global reach of the organization's human capital, which can be vital for understanding workforce dynamics, inclusion efforts, and talent management strategies.
	Employees by Agreement Type	This indicator refers to the total number of employees broken down into male and female with permanent and fixed-term contracts.
	Employees by Age Groups	The indicator refers to the number of employees of the Company, according to age groups under 30 years of age, between 30-50 years of age, over 50 years of age, and by gender, male and female. Interns are not included.
	Employees by Employment Type	This indicator refers to the number of employees working in the Company broken down into male and female, classified according to the definition of Full Time and Part Time, as defined in the Labor Laws effective in the countries of operation.
	Equal Opportunity This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi.	
	Total Number of Promotions	Total Promotion refers to the overall number of promotional activities conducted by a business within a specific timeframe or for a particular product/service.
	Percentage of Promotions	This indicator refers to the ratio of employees who received a promotion within a defined period to the total number of employees by gender, expressed as a percentage.
	Total Number of Promotion by Gender	This indicator refers to the total number of employees who were promoted, disaggregated by gender, within a specified reporting period.
	Number of Employees by Managerial Level by Gender	This indicator shows the total number of employees categorized by managerial levels (e.g., junior, senior and mid-level management) and further broken down by gender.
	Junior Management	This indicator refers to the lower-level managerial positions within an organization's hierarchy, encompassing roles such as team leaders, supervisors, and entry-level managers who oversee day-to-day operations, coordinate tasks across the Group Companies in scope.
	Senior Management	This indicator refers to the number of employees, male and female, in director and above positions across the Group Companies in scope.
	Mid-level Management	This indicator refers to the number of employees, male and female, in manager and assistant manager positions across the Group Companies in scope.

Key Definitions

Type	Indicator	Scope
Social	Female Manager Ratio (%)	This indicator refers to the percentage of female employees holding junior, mid-level and senior managerial positions within the Company at the end of the reporting period.
	Management by Nationality	This indicator refers to the distribution or composition of managerial positions within an organization based on the national origin or citizenship of the individuals holding those roles.
	Employee Turnover by Gender This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi.	
	Number of New Hires	This indicator represents the count of individuals who have been newly employed by a company within a specific period, typically measured on a monthly, quarterly, or annual basis.
	Number of New hires by Gender	This indicator represents the count of individuals who have been newly employed by a company within a specific period, disaggregated by gender.
	Number of Employees Left	This indicator refers to the count of individuals who have voluntarily resigned, retired, or otherwise departed from their employment with a company within a specified period.
	Employee Turnover Rate	This indicator refers to the proportion of employees who leave a company over a specific period, often annually. It is calculated by dividing the number of employees who leave during that period by the total number of employees during the same period, then multiplying by 100.
	Employee Turnover by Gender	This indicator refers to the number or rate of employees who leave a company within a specific period, disaggregated by gender.
	Voluntary Employee Turnover Rate	This indicator refers to the percentage of employees who voluntarily resign or leave their positions within a company during a specific period, typically calculated by dividing the number of voluntarily departed employees by the average number of employees during the same period, then multiplying by 100.
	Employees Breakdown This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi.	
	Number of Employees Under Collective Agreement (#)	This indicator refers to the total number of employees covered by a collective bargaining agreement within the reporting period. It reflects the extent of union representation and negotiated employment conditions.
	Women Employees in STEM Positions	This indicator refers to the number of (women) employees who carry out analysis studies in accordance with the definition of STEM (Science, Technology, Engineering, Maths) in their job descriptions.

Key Definitions

Type	Indicator	Scope
Social	Women in Management Positions in Revenue-Generating Functions	This indicator refers to the representation of female employees holding managerial roles within departments or functions directly responsible for generating revenue within a company.
	Employees Subject to Regular Performance	This indicator refers to the number of reported employees, male and female, for whom the performance evaluation process was carried out for employees who met the criteria determined by the management during the reporting period.
	Percentage of monthly-paid employees who were subjected to regular performance evaluation	This indicator represents the proportion of monthly-paid employees who participated in formal and structured performance evaluation processes within a given reporting period, expressed as a percentage of total monthly-paid employees.
	Percentage of hourly-paid employees who were subjected to regular performance evaluation	This indicator represents the proportion of hourly-paid employees who underwent regular performance assessments during a specific timeframe, expressed as a percentage of total hourly-paid employees.
	Parental Leave This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi.	
	Employees that took parental leave	This indicator refers to the number of female employees who went on maternity leave within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave for Turkey operations during the reporting period, and the number of male employees who went on paternity leave within the scope of Labor Law No. 4857.
	Employees that returned to work after parental leave ended	This indicator refers to the number of female employees returning from maternity leave within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave for Turkey operations during the reporting period, and the number of male employees returning from paternity leave within the scope of Labor Law No. 4857.
	Salaries by Level This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries),, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi	
	Executive level (base salary only)	This indicator refers to the annual base salary paid to employees classified at the executive level (e.g., C-suite, general managers), excluding any variable components such as bonuses, stock options, or performance incentives.
	Executive level (base salary + other incentives)	This indicator refers to the total annual compensation of executive-level employees, including gross base salary and all additional remuneration elements such as bonuses, allowances, stock-based incentives, and other performance-related payments.
	Management level (base salary only)	This indicator refers to the annual base salary of employees classified under management roles (e.g., directors, department heads, mid-level managers), excluding bonuses or other variable components.

Key Definitions

Type	Indicator	Scope
Social	Management level (base salary + other incentives)	This indicator refers to the total annual compensation of management-level employees, combining gross base salary with performance bonuses, allowances, or any other monetary incentives.
	Non-Management Level	This indicator refers to the annual base salary of employees who are not classified under executive or management levels, including operational, technical, and administrative roles.
	Training Hours (hours)*	This indicator refers to the total number of hours spent on training and development activities by employees during a specific reporting period. * This section covers the Koç Group companies, including Arçelik, Aygaz (including subsidiaries), Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş (including subsidiaries),, TürkTraktör, and Yapı Kredi.
Economic	**Supply Chain Performance** This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	Hours of Training to Suppliers by Category	This indicator refers to the total number of training hours provided by the Group companies to its suppliers, disaggregated by training categories including ethics, environment and social.
	Number of Local Suppliers	This indicator refers to the total number of suppliers classified as "local" based on their operational location relative to the Group companies' procurement entity.
	Local Purchase Rate (%)	This indicator refers to the percentage of the Group companies' total procurement spend that is directed toward local suppliers, reflecting the Company's contribution to the local economy.
	Number of Critical Suppliers	This indicator refers to the total number of suppliers identified as "critical" based on their commercial importance and potential impact on the Company's operations. Critical suppliers are defined according to the following criteria: • Suppliers whose goods or services have a direct impact on production continuity, such as those representing a significant share (e.g., at least 80%) of total procurement spend, • Suppliers that provide high-volume deliveries or supply unique, non-substitutable products, components, or services, the absence of which may cause major operational disruptions.
	Supplier Screening This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	S1: Total number of Tier-1 suppliers	Total number of suppliers that directly supply goods, materials, or services (including intellectual property (IP) / patents) to the company
	S2: Total number of significant suppliers in Tier-1 suppliers	Total number of Tier-1 suppliers that are identified as having significant business relevance to the company or substantial risks of negative ESG impacts or a combination of both
	S3: % of total spend on significant suppliers in Tier-1 suppliers	Share of the spending on significant suppliers in Tier-1 as a percentage of the total spending

Key Definitions

Type	Indicator	Scope
Economic	S4: Total number of significant suppliers in non-Tier-1 suppliers	Total number of suppliers that are identified as having significant business relevance to the company or substantial risks of negative ESG impacts or a combination of both and that provide products and services through Tier-1 suppliers to the company
	S5: Total number of significant suppliers (all Tiers)	Total number suppliers that are identified as having significant business relevance to the company or substantial risks of negative ESG impacts or a combination of both across all tiers.
	Supplier Assessment This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	A1: Total number of suppliers assessed via desk assessments/on-site assessments	Total number of suppliers assessed via desk assessments and/or on-site assessments
	A2: % of significant suppliers assessed	Percentage of significant suppliers assessed via desk assessment and/or on-site assessment
	A3: Number of suppliers assessed with substantial actual/potential negative impact	Number of suppliers falling in the high and middle risk category as a result of assessments
	A4: % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	Percentage of suppliers in the high and middle risk category as a result of assessments and with assigned corrective action plans
	A5: Number of suppliers with substantial actual/potential negative impacts that were terminated	Number of high and middle risk suppliers with whom business was terminated that year
	Corrective Action Plans This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	CAP1: Total number of suppliers supported in corrective action plan implementation	Total number of suppliers supported in corrective action plan implementation
	CAP2: % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	Percentage of high and middle risk suppliers supported in CAP implementation
	Capacity Building This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	D1: Total number of suppliers in capacity building programs	Total number of suppliers in capacity building programs
	D2: % of significant suppliers in capacity building programs	Share of “total number of suppliers in capability building programs” as a percentage of “total number of significant suppliers (all Tiers)”
	Economic and Administrative Performance This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	R&D Expenditures (TL)	This indicator refers to the total amount of expenditures incurred by the Group companies for research and development (R&D) activities, expressed in Turkish Lira (TL). R&D expenditures may include employee costs, materials, equipment, software and other related investments that support the development of new products, services or technologies.
	Environmental and Water Penalties (TL)	This indicator refers to the total amount of monetary fines and penalties (in TL) paid or officially imposed on the Company by regulatory authorities due to non-compliance with environmental and water-related laws, permits, or regulations.

Emission Factors

Average-Data Method Using EEIO Emission Factors for Revenue-Based Calculations*

For companies where emissions are calculated based on financial data (i.e., revenue-based estimations), we applied the average-data method using Environmentally-Extended Input-Output (EEIO) data.

The methodology is as follows:

- The revenue of the investee company is multiplied by the appropriate EEIO emission factor representative of the sector in which the company operates (expressed as kg CO_2e per $ revenue).
- The result is then multiplied by the reporting company's proportional equity share in the investee company to calculate the allocated emissions.

Formula:
Emissions from equity investments = ∑ [(Investee revenue × sectoral EEIO emission factor) × equity share]

Broad Category	EIO Category
Construction materials and products	Residential structures (miscellaneous)
Manufactured products	Automobiles
Manufactured products	Ship
Manufactured products	Motors and generators
Manufactured products	Military armored vehicles, tanks, and tank components
Manufactured products	Motorcycles, bicycles, and parts
Services	Couriers and messengers services
Services	Information services
Services	Food services and drinking places
Services	Funds, trusts, and other financial vehicles
Services	Monetary authorities and depository credit intermediation
Services	Data processing, hosting, and related services
Services	Computer systems design services
Services	Insurance agencies, brokerages, and related activities
Services	Retail trade services
Services	Hotels and motels, including casino hotels
Services	Oil and gas operations support activities
Services	Automotive equipment rental and leasing services
Services	Wholesale trade services
Services	Travel arrangement and reservation services
Services	Amusement and recreation industries
Services	Management of companies and enterprises
Services	Nondepository credit intermediation and related activities
Services	Hospital services
Services	Business support services
Utilities	Natural gas distribution
	Direct Marketing

Performance Indicators
Social Performance Indicators

	2022		2023		2024	
Employees	Women	Men	Women	Men	Women	Men
Number of employees	19,810	56,560	31,692	75,625	36,203	81,795
Total number of employees	76,371		107,317*		117,998*	
Ratio	26%	74%	30%	70%	31%	69%

	2022		2023		2024	
Number of employees by category	Monthly paid	Hourly paid	Monthly paid	Hourly paid	Monthly paid	Hourly paid
Total	**35,671**	**40,699**	**43,725**	**63,592**	**46,024**	**71,974**
Full-time	3,545	40,411	43,420	63,260	45,740	71,883
Part-time	221	289	305	332	284	91
Women	15,390	4,420	17,790	13,902	19,005	17,198
Men	20,281	36,279	25,935	49,690	27,019	54,776

Employees by Age	2022	2023	2024
Under 30	18,807	28,418	31,289
30-50	54,294	69,310	72,232
Over 50	3,272	9,589	14,477

	2022		2023		2024	
Employee Turnover by Gender	Women	Men	Women	Men	Women	Men
Number of employees left	3,292	9,052	4,351	12,294	4,969	15,021
Total number of employees left	12,344		16,645		19,990	
Employee turnover rate	16%		17%**		17%**	
Voluntary employee turnover rate	5%		9%		8%	

	2023		2024	
	In Scope	Out Scope	In Scope	Out Scope
Scope of Collective Labor Agreement	60%	40%	60%	40%

* Scope of employees covered is updated from Turkey to all countries of operation as of 2023.
** Excluding fixed-term employees

Employees Breakdown	2022	2023	2024
Disabled employees	2,254	2,460	2,536
Women employees in STEM positions	3,757	8,832	9,523
Women in management positions in revenue-generating functions	930	6,703	2,251

	2022		2023		2024	
New Hires by Gender	Women	Men	Women	Men	Women	Men
Number of new hires	3,766	9,743	5,970	17,402	8,345	18,142
Total	**13,509**		**23,372**		**26,487**	

	2022		2023		2024	
Promotions by Gender	Women	Men	Women	Men	Women	Men
Number of promotions	2,369	3,042	2,895	3,472	1,819	2,375
Total promotions	5,411		6,367		4,194	
Percentage of promotions	44%	56%	45%	55%	43%	57%

Salaries by Level	**Ratio (Average Women/Men Salary)**
Executive level (base salary only)	102%
Executive level (base salary + other incentives)	100%
Management level (base salary only)	97%
Management level (base salary + other incentives)	96%
Non-Management Level	99%

	2022	2023	2024
Average Annual Training Hours	44	53	67

Performance Indicators

Social Performance Indicators

	2022		2023		2024	
Senior Management	Women	Men	Women	Men	Women	Men
Number of senior management	33	198	58	240	46	207

	2022		2023		2024	
Mid-Level Management	Women	Men	Women	Men	Women	Men
Number of mid-level management	985	2,362	1,319	3,370	1,578	3,663

	2022		2023		2024	
Junior Management	Women	Men	Women	Men	Women	Men
Number of junior management	1,246	2,285	1,246	2,402	1,329	2,835

Employees Subject to Regular Performance Evaluation	2022	2023	2024
Percentage of monthly-paid employees who were subjected to regular performance evaluation	95%	95%	96%
Percentage of hourly-paid employees who were subjected to regular performance evaluation	84%	82%	83%

	2022		2023		2024	
Parental Leave	Women	Men	Women	Men	Women	Men
Employees that took parental leave	1,080	2,116	1,047	2,493	987	2,733
Employees that returned to work after parental leave ended	896	1,983	926	1,958	915	1,981

Workforce by Nationality	2024
Turkish	64.3%
Romanian	9,3%
Russian	2.8%
Thai	2,4%
Pakistani	3,1%
South African	1.8%
Bangladeshi	2,0%
Other	14.3%

Health and Safety Performance (Employees)	2022	2023	2024
Work related fatalities	0	4	1
Injury rate (IR)	4.36	4.12	3.10
Occupational illness frequency rate (OIFR)	0.10	0.09	0.05
Lost-time injury frequency rate (LTIFR)	2.80	3.09	2.25
Occupational health and safety training provided (person*hours)	746,549	1,066,481	1,783,585

Health and Safety Performance (Contractors)	2022	2023	2024
Work related fatalities	1	2	3
Injury rate (IR)	4.80	4.40	4.32
Occupational illness frequency rate (OIFR)	0.00	0.00	0
Lost-time injury frequency rate (LTIFR)	3.31	2.97	2.54
Occupational health and safety training provided (person*hours)	116,354	356,306	471,486

Management by Nationality	2024
Turkish	74,5%
Romanian	1,4%
Russian	1,1%
Thai	1,3%
Bangladeshi	1,2%
Pakistani	1,5%
Chinese	1,2%
South African	0,8%
Other	17,0%

Performance Indicators
Social Performance Indicators

Hours of Training to Suppliers	2022	2023	2024
Ethics	1,069	242	342
Environment	12,828	578	2,057
Social	2,485	1,754	516
Total	**16,382**	**2,574**	**2,915**

Supplier Screening KPIs	2024
S1: Total number of Tier-1 suppliers	8.323
S2: Total number of significant suppliers in Tier-1	1.046
S3: % of total spend on significant suppliers in Tier-1	46%
S4: Total number of significant suppliers in non-Tier 1	511
S5: Total number of significant suppliers (all Tiers)	1.584
Supplier Assessment KPIs	
A1: Total number of suppliers assessed via desk assessments/on-site assessments	935
A2: % of significant suppliers assessed	59%
A3: Number of suppliers assessed with substantial actual/potential negative impact	416
A4: % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	7%
A5: Number of suppliers with substantial actual/potential negative impacts that were terminated	0
Corrective Action Plans KPIs	
CAP1: Total number of suppliers supported in corrective action plan implementation	147
CAP2: % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	35%
Supplier Development KPIs	
D1: Total number of suppliers in capacity building programs	147
D2: % of significant suppliers in capacity building programs	8%

	2023	2024
Dealers and after-sales service point	6,261	10,000

	2023	2024
Number of projects within the scope of the Digital Transformation Program	2,000	2,500

	2023	2024
R&D investments (billion TL)	9.0	12.9
Number of R&D employees	6,110	7,453

Performance Indicators

Environmental Performance Indicators

Greenhouse Gas Emissions (tCO2e)	2017	2022	2023	2024
Total Scope 1 emissions	7,572,664	6,864,059	6,625,491	6,304,283
Total Scope 2 emissions – market based	129,471	127,838	109,877	212,699
Total Scope 2 emissions – location based	-	-	-	339,213
Total Scope 1 and 2 emissions of subsidiaries owned by Koç Group companies	134,671	N/A	N/A	N/A
Koç Group total Scope 1&2 emissions - market based	**7,836,806**	**6,991,897**	**6,735,368**	**6,516,982**
Koç Group total Scope 1&2 emissions - location based	-	-	-	6,643,496
Emission intensity (CO2e/consolidated million TL)	79	8	4	3

	2022	2023	2024
Energy Savings through energy efficiency (million GJ)	1.73	2.41	2.18
GHG Emission Reduction (thousand-ton CO2e)	96	137	218

Emission Category* (tCO_2e)	2019**	2022	2023	2024
Scope 3 emissions	191,811,457	204,915,949	219,996,063	210,371,525

* The Koç Group's consolidated Scope 3 emissions cover Scope 3 emissions of Arçelik, Aygaz, Entek, Otokar, Otokoç, Tüpraş, Yapı Kredi companies, and Scope 1, 2, 3 emissions of Ford Otosan, Opet Tofaş and TürkTraktör companies. In 2024, Koç Holding disclosed 210,371,525 tons of Scope 3 CO2e emissions, excluding the finance sector. Calculations for the finance sector's Scope 3 emissions for 2024 are currently underway, with Koç Holding's overall Scope 3 emissions **expected to be disclosed** in Q4 2025. The acquisition of new production facilities by our Group companies, along with an increase in use-phase emissions of the Group companies operating in the energy sector has resulted in an increase in Scope 3 emissions.

** 2019 is the initial year when Koç Holding's consolidated Scope 3 emissions started to be consolidated.

Water Withdrawal, Discharge and Consumption* (thousand m^3)	2021	2022	2023	2024
Water Withdrawal				
Surface water	14,923	17,478	15,389	18,177
Ground water	5,815	7,042	7,416	3,019
Municipal water	2,469	2,395	3,324	2,739
Treated urban wastewater and other resources	11,401	9,795	6,716	7,283
Third-Party Water Providers – Potable	n.a.	n.a.	n.a.	2,739
Third-Party Water Providers – Recovered	n.a.	n.a.	n.a.	7,114
Produced Water	n.a.	n.a.	n.a.	0
Sea	n.a.	n.a.	n.a.	2
Rainwater	n.a.	n.a.	n.a.	167
Total water withdrawal	**34,608**	**36,710**	**32,845**	**31,218**
Total Water Withdrawal from areas under Water-Stress	n.a.	n.a.	n.a.	**27,951**
Water discharge				
Surface Water	n.a.	n.a.	n.a.	4,416
Ground Water	n.a.	n.a.	n.a.	46
Sea	n.a.	n.a.	n.a.	10,987
Third Party Water Providers	n.a.	n.a.	n.a.	3,266
Total Water discharge	**17,158**	**19,257**	**24,603**	**18,715**
Water consumption	**17,450**	**17,453**	**8,250**	**12,503**
Reused/Recovered water amount	**n.a.**	**18,042**	**17,904**	**18,599**
Percentage of recovered water in total water withdrawal (%)	**n.a.**	**49%**	**54%**	**60%**

1. **Subsidiaries:** Arçelik, Aygaz, Entek, Koç Sistem, Otokar, Otokoç, Tüpraş, YapıKredi and their subsidiaries
Joint Ventures: Arçelik LG, Ford Otosan, Opet, Tofaş, TürkTraktör

2. In parallel with the update of the calculation methodology to align with the ESRS E3 standard, the data for 2022 and 2023 has also been updated.

Performance Indicators
Environmental Performance Indicators

Energy Consumption (GJ)	2022	2023	2024
Direct Renewable Energy Consumption	2,423,857	2,818,505	3,569,111
Direct Non-Renewable Energy Consumption	95,911,940	96,630,145	95,313,001
Total	**98,335,797**	**99,448,650**	**98,882,113**

ISO 14001 Certified Facilities	2022	2023	2024
Number of certified facilities	368	697	1,005
Number of facilities	926	981	1.039
% of certified facilities	40%	71%	97%

ISO 50001 Certified Facilities	2024
Number of certified facilities	58
Number of facilities	1,039
% of certified facilities	6%

	2022	2023	2024
Total Renewable Energy Consumption (thousand GJ)	2,424	2,819	3,569

Waste by Type (tons) *	2022	2023	2024
Total waste recycled/reused	290,813	368,978	435,180
Total waste disposed	11,301	27,741	26,127
Recovered and recycled hazardous waste (R code)	28,072	40,298	51,494
Recovered and recycled non-hazardous waste (R code)	262,411	328,680	383,686
Hazardous waste disposed (D code)	4,925	15,066	15,543
Non-hazardous waste disposed (D code)	6,375	12,675	10,584
Total	**301,730**	**396,719**	**461,307**

* All calculations are made in line with the Waste Management Regulation.

Performance Indicators
Environmental Performance Indicators

Waste Disposed (tons)	2022	2023	2024
Hazardous waste incinerated without energy recovery	176	18	223
Non-hazardous waste incinerated without energy recovery	81	53	108
Hazardous waste incinerated with energy recovery	4,326	14,209	13,876
Non-hazardous waste incinerated with energy recovery	1,031	1,533	2,852
Hazardous waste landfilled	423	800	944
Non-hazardous waste landfilled	5,264	8,055	7,333

Environmental Trainings	2022	2023	2024
Total Training hours (Employees)	39,378	87,820	72,187
Number of participants (Employees)	45,481	86,001	44,573
Total Training hours (Contractors)	38,025	18,814	30,435
Number of participants (Contractors)	34,716	29,975	23,792

Environmental Expenditures and Investments (million TL)	2022	2023	2024
Total CapEx	437.5	1,208.4	6,766.3
Total OpEx	1,137.0	1,009.0	2,231.6
Total environmental expenditures and investments	1,574.5	2,217,3	8,997.9
Financial savings from environmental expenditures and investments	325.8	730.4	318.7

Independent Assurance Opinion Statement

Shape the future with confidence

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(Convenience Translation Into English of Limited Assurance Report Originally Issued in Turkish)

Independent Assurance Report

To General Assembly of Koç Holding Anonim Şirketi
İstanbul, Türkiye

This report is intended solely for the management of Koç Holding Anonim Şirketi (hereinafter 'Koç Holding') for the purpose of reporting of Selected Sustainability Information ("Selected Information") listed below in its Sustainability Report 2024 (hereinafter Sustainability Report 2024') that has been prepared by Koç Holding Anonim Şirketi for the period running from January 1, 2024, to 31 December 2024.

Subject Matter Information and Applicable Criteria

In line with the request of Koç Holding, our responsibility is to provide limited assurance in accordance with Global Reporting Initiative Standards ('GRI Standards') and Selected Information listed below within the scope of the reporting approach of Koç Holding specified in Environmental Performance Indicators and Social Performance Indicators prepared in accordance with the Reporting Guidelines, Key Definitions and Emission Factors included.

The Scope of Our Assurance

The scope of our assurance is limited to the examination of Selected Information in the 2024 Sustainability Report listed below.

Environmental Performance Indicators

1. Direct GHG Emissions (Scope 1-2)
   - Total Direct Scope 1 GHG Emissions (tCO_2e)
   - Total Location-based Scope 2 Emissions (tCO_2e)
   - Total Market-based Scope 2 Emissions (tCO_2e)
   - Total Scope 1&2 GHG Emissions (tCO_2e)
   - Emission Intensity (CO_2e/million TL)
2. Energy Consumption (GJ)
   - Total non-renewable energy consumption (GJ)
   - Total renewable energy consumption (GJ)
   - Total energy consumption (GJ)
3. Water Discharge and Consumption (a thousand m^3)
   - Total water withdrawal
   - Total water discharge
   - Total water consumption
4. Waste (tonnes)
   - Total Waste Amount (tonnes)
5. Environmental Trainings
   - Number of participants (Employees)
   - Number of participants (Contractors)
6. Number of ISO 14001 Certified Facilities
7. Number of ISO 50001 Certified Facilities
8. Total Number of facilities

Social Performance Indicators

9. Number of Employees
   - Total Number of Employees
   - Number of employees by gender
   - Number of employees by category
   - Number of employees by employment type
   - Number of employees by age
10. Total promotions
    - Total promotions by gender
    - Percentage of promotions
11. New Hires
    - Number of new hires by gender
12. Disabled employees
13. Women employees in STEM positions
14. Women in management positions in revenue-generating functions
15. Health and Safety Performance
    - Occupational illness frequency rate (OIFR) (Employees)
    - Occupational illness frequency rate (OIFR) (Contractors)
    - Injury rate (IR) (Employees)
    - Injury rate (IR) (Contractors)
    - Lost-time injury frequency rate (LTIFR) (Employees)
    - Lost-time injury frequency rate (LTIFR) (Contractors)
    - Work related fatalities (Employees)
    - Work related fatalities (Contractors)
16. Supplier Screening KPIs
    - S2: Total number of significant suppliers in Tier-1
    - S3: % of total spend on significant suppliers in Tier-1
    - S4: Total number of significant suppliers in non-Tier 1
    - A1: Total number of suppliers assessed via desk assessments/on-site assessments
    - A2: % of significant suppliers assessed
    - A3: Number of suppliers assessed with substantial actual/potential negative impact
    - A4: % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan
    - A5: Number of suppliers with substantial actual/potential negative impacts that were terminated
    - CAP1: Total number of suppliers supported in corrective action plan implementation
    - CAP2: % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation
    - D1: Total number of suppliers in capacity building programs
    - D2: % of significant suppliers in capacity building programs
17. R&D investments (billion TL)

Koç Holding's Responsibilities

Koç Holding's management is responsible for the preparation, collection, and presentation of the information for the Selected Information. In addition, Koç Holding's management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Sustainability Report 2024, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 and 3410 which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

Shape the future with confidence

(Convenience Translation Into English of Limited Assurance Report Originally Issued in Turkish)

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

Procedures Applied

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of Koç Holding to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information through online online and face to face interviews with personnel at Koç Holding Anonim Şirketi's domestic and international locations, as well as through other available documentation for Koç Holding's other locations in Türkiye, against evidence, on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used Koç Holding's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
7. Evaluated the disclosure and presentation of the Selected Information in the Sustainability Report 2024.

Our Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Selected Information for the year ended in December 31, 2024, has not been prepared, in all material respects in line with GRI Standards and the relevant requirements of the criteria as defined in Reporting Guidelines.

Limitations

We permit this report to be disclosed in addition to Koç Holding Anonim Şirketi's Sustainability Report 2024 for the year ended on December 31, 2024; to enable the management of Koç Holding Anonim Şirketi to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Koç Holding Anonim Şirketi for our work, for this independent limited assurance report, or for the conclusions we have reached.

Guney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi
A member firm of Ernst & Young Global Limited

Didem Tuşel Özdoğan, SMMM
Partner

30 July 2025
İstanbul, Türkiye

A member firm of Ernst & Young Global Limited

Koç Group Companies' Commitment

Company	2026 Commitment	Progress (Base year: 2021)
Tüpraş	Commitment for increasing % of women working in STEM positions: 40%	2021: 23% 2022: 25% 2023: 29% **2024: 30%**
	Commitment to reach girls through the STEM Women in Technology and Innovation Program: 100,000.	**2024: 57,930***
Aygaz	Commitment for increasing % of women working in STEM positions: 35%	2021 13,5% 2022 15% 2023 17% **2024: 24%**
	Commitment to reach women and girls through the STEM Women in Technology and Innovation Program: 100,000.	**2024: 114,591***
Ford Otosan	Commitment for increasing % of women working in STEM positions: 30%	2021 18% 2022 20% 2023 22% **2024: 23.8%**
	Commitment to reach young women through the STEM Women in Technology and Innovation Program: 100,000.	**2024: 39,974***
Tofaş	Commitment for increasing % of women working in STEM positions: 30%	2021 18% 2022 19% 2023 20% **2024: 22%**
	Commitment to reach women and girls through the STEM Women in Technology and Innovation Program: 30,000	**2024: 26,000***
TürkTraktör	Commitment for increasing % of women working in STEM positions: 50%	2021 28% 2022 28% 2023 31% **2024: 34%**
	Commitment to reach 30,000 people between 2022-2026 through STEM community programs	**2024: 19,370***
Arçelik	Commitment for increasing % of women working in STEM positions: 35%	2021 18% 2022 19% 2023 21.3% **2024: 21.5%**
	Commitment to provide STEM trainings to 100,000 girls until 2026	**2024: 70,191***
Yapı Kredi	Commitment for increasing % of women working in STEM positions: 40%	2021 35% 2022 37% 2023 37% **2024: 39%**
	Commitment to reach 80,000 women and girls between 2022-2026 through STEM community programs	**2024: 13,657***
Koç Finans	Commitment for increasing % of women employees in Technology and Innovation positions from 40% to 50%	2022 40% 2023 36% **2024: 39%**

* Total number of people reached by the end of 2024.

GRI and ESRS Interoperability Index

Statement of use	Koç Holding has reported in accordance with the GRI Standards for the January–December 2024 period.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	ESRS 2	BP-1	5(a)		**Koç Holding Annual Report 2024** p: 2-5
		ESRS 2	BP-1	5(b)(i)		
	2-2 Entities included in the organization's sustainability reporting					3 For Scope 1 and 2 emissions: 183-185
	2-3 Reporting period, frequency and contact point					3
	2-4 Restatements of information	ESRS 2	BP-2	13(a-c)		Greenhouse gas emissions have been updated for the years 2022 and 2023.
		ESRS 2	BP-2	14(a-b)		
	2-5 External assurance					172 - 174
	2-6 Activities, value chain and other business relationships	ESRS 2	SBM-1	40(a)(i-ii)	AR 12-13	13 **Koç Holding Annual Report 2024** p: 74-159
		ESRS 2	SBM-1	40(b-c)	AR 12-13	
		ESRS 2	SBM-1	42	AR 14	
		ESRS 2	SBM-1	42(c)	AR 15	
	2-7 Employees	ESRS 2	SBM-1	40(a)(iii-iv)	AR 12-13	48, 166
		ESRS 2	SBM-1	40(d)(i-iv)	AR 12-13	
		S1	S1-6	50(a-b)	AR 57	
		S1	S1-6	50(d-e)	AR 60	
		S1	S1-6	50(d)(i-ii)		
		S1	S1-6	51		
		S1	S1-6	52		
		S1	S1-6	52(a-b)		
	2-8 Workers who are not employees	S1	S1-7	55(a-c)	AR 61	48, 166
		S1	S1-7	55(b)(i-ii)		
		S1	S1-7	56	AR 62	
		S1	S1-7	57	AR 63	
	2-9 Governance structure and composition	ESRS 2	GOV-1	21		140 - 141 **Koç Holding Annual Report 2024** p: 178 - 188
		ESRS 2	GOV-1	21(a-e)	AR 5	
		ESRS 2	GOV-1	22(a)		
		ESRS 2	GOV-1	23(a-b)		
		G1	GOV-1	5(b)		
		G1	G1-5	29(a)		
		G1	G1-5	30	AR 11	
	2-10 Nomination and selection of the highest governance body					**Koç Holding Annual Report 2024** p: 179

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
General disclosures						
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body					Koç Holding Annual Report 2024 p: 180
	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2	GOV-1	22(c)		11
		ESRS 2	GOV-2	26(a-b)		
		ESRS 2	SBM-2	45(d)		
		S1	S1-2	27(c)	AR 18-19	
		S2	S2-2	22(c)	AR 17-18	
		S3	S3-2	21(c)	AR 14-15	
		S4	S4-2	20(c)	AR 15-16	
		G1	GOV-1	5(a)		
	2-13 Delegation of responsibility for managing impacts	ESRS 2	GOV-1	22(c)(i-ii)		11
		ESRS 2	GOV-2	26(a)		
		G1	G1-3	18(c)		
	2-14 Role of the highest governance body in sustainability reporting	ESRS 2	GOV-1	22	AR 3	11
		ESRS 2	GOV-5	36(a-e)	AR 11	
		ESRS 2	IRO-1	53(d)		
	2-15 Conflicts of interest					Koç Holding Annual Report 2024 p: 171
	2-16 Communication of critical concerns	ESRS 2	GOV-2	26(a)		142 - 143
		ESRS 2	GOV-2	26(c)		
		G1	G1-1	9	AR 1	
		G1	G1-3	18(c)		
	2-17 Collective knowledge of the highest governance body	ESRS 2	GOV-1	23	AR 5	11, 64 - 68
		G1	G1-4	24(a)		
	2-18 Evaluation of the performance of the highest governance body					69 Koç Holding Annual Report 2024 p: 25
	2-19 Remuneration policies	ESRS 2	GOV-3	29	AR 7	69 Koç Holding Annual Report 2024 p: 25
		ESRS 2	GOV-3	29(a-c)		
		E1	E1.GOV-3	13		
	2-20 Process to determine remuneration	ESRS 2	GOV-3	29(e)		69 Koç Holding Annual Report 2024 p: 25
	2-21 Annual total compensation ratio	S1	S1-16	97(b-c)	AR 101	This information is not disclosed for reasons of confidentiality.
	2-22 Statement on sustainable development strategy	ESRS 2	BP-2	17(a)		9 - 10
		ESRS 2	SBM-1	40(g)	AR 12-13	

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
General disclosures						
GRI 2: General Disclosures 2021	2-23 Policy commitments	ESRS 2	MDR-P	65(b-f)		140 - 145
		S1	S1-1	19		
		S1	S1-1	20		
		S1	S1-1	21	AR 12	
		S1	S1-1	24(c)		
		S1	S1-1		AR 14	
		S2	S2-1	16		
		S2	S2-1	17		
		S2	S2-1	19	AR 14	
		S2	S2-1		AR 16	
		S3	S3-1	14		
		S3	S3-1	16		
		S3	S3-1	17	AR 10	
		S3	S3-1		AR 11	
		S4	S4-1	15		
		S4	S4-1	16		
		S4	S4-1	17	AR 11	
		S4	S4-1		AR 13	
		G1	G1-1	7		
		G1	G1-1	9	AR 1	
	2-24 Embedding policy commitments	ESRS 2	GOV-2	26(b)		140 - 145
		ESRS 2	MDR-P	65(c)		
		S1	S1-4		AR 35	
		S2	S2-1	18		
		S2	S2-4		AR 30	
		S3	S3-4		AR 27	
		S4	S4-4		AR 27	
		G1	G1-1	9	AR 1	
		G1	G1-1	10(g)		

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
General disclosures						
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	S1	S1-1	20(c)		140 - 145
		S1	S1-1		AR 17(g)	
		S1	S1-3	32(a-b)	AR 27, AR 28	
		S2	S2-1	17(C)		
		S2	S2-3	27(a-d)	AR 21, AR 22, AR 27	
		S2	S2-3	28	AR 25, AR 26	
		S2	S2-4	33(c)		
		S3	S3-1	16(c)		
		S3	S3-3	27(a-d)	AR 17, AR 18, AR 22, AR 24	
		S3	S3-3	28	AR 23	
		S3	S3-3		AR 19	
		S3	S3-3		AR 21	
		S3	S3-4	33(c)		
		S4	S4-1	16(c)		
		S4	S4-3	25(a-d)	AR 18-AR 19, AR 24	
		S4	S4-3	26	AR 23	
		S4	S4-3		AR 20	
		S4	S4-3		AR 22	
		S4	S4-4	32(c)		
	2-26 Mechanisms for seeking advice and raising concerns	S1	S1-3	32(e)	AR 32	140 - 143
		S2	S2-3	27(d)	AR 27	
		S3	S3-3	27(d)	AR 24	
		S4	S4-3	25(d)	AR 24	
		G1	G1-1	10(a)		
		G1	G1-1	10(c)		
		G1	G1-3	18(a)	AR 5-AR 6	
	2-27 Compliance with laws and regulations	ESRS 2	SBM-3	48(d)		140 - 143
		E2	E2-4		AR 25(b)	
		S1	S1-17	103(c-d)	AR 103-AR 106	
		S1	S1-17	104(b)	AR 103- AR 106	
	2-28 Membership associations					6

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
General disclosures						
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	ESRS 2	SBM-2	45(a)	AR 16	33
		ESRS 2	SBM-2	45(a)(i-v)	AR 16	
		S1	S1-1	20(b)		
		S1	S1-2	27(a-b)	AR 19	
		S1	S1-2	27(e)		
		S1	S1-2	28		
		S1	S1-2		AR 25(a-e)	
		S1	S1-3		AR 30	
		S1	S1-3	32(c-e)	AR 32	
		S1	S1-3	33	AR 31	
		S1	S1-17	103(b)	AR 103- AR 106	
		S2	S2-1	17b		
		S2	S2-2	22(a-b)	AR 18	
		S2	S2-2	22(e)		
		S2	S2-2	23		
		S2	S2-3		AR 23	
		S3	S3-1	16(b)		
		S3	S3-2	21(a-b)	AR 15	
		S3	S3-2	21(d)		
		S3	S3-2	22		
		S4	S4-1	16(b)		
		S4	S4-2	20(a-b)	AR 14, AR 16	
		S4	S4-2	20(d)		
		S4	S4-2	21		
	2-30 Collective bargaining agreements	S1	S1-8	60(a-c)	AR 66	48
		S1	S1-8	61		
		S1	S1-8		AR 70	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESRS 2	BP-1	5(c)	AR 1	23 - 25
		ESRS 2	IRO-1	53(a-b)		
		ESRS 2	IRO-1	53(b)(i-iv)		
		ESRS 2	IRO-1	53 g		
	3-2 List of material topics	ESRS 2	BP-2	17		23
		ESRS 2	BP-2	17(a)		
		ESRS 2	SBM-3	48(a)		
		ESRS 2	SBM-3	48(g)		

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Material topics						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2	BP-2	17(b-e)		23 - 33
		ESRS 2	SBM-1	40(e)	AR 12-13	
		ESRS 2	SBM-3	48(c)(i)		
		ESRS 2	SBM-3	48(c)(iv)		
		ESRS 2	MDR-P	65(a)		
		ESRS 2	MDR-A	68(a)	AR 22	
		ESRS 2	MDR-A	68(d-e)		
		ESRS 2	MDR-A	69(a)	AR 23	
		ESRS 2	MDR-M	75		
		ESRS 2	MDR-T	80(b-j)	AR 24 - AR 26	
		ESRS 2	MDR-P	62		
		ESRS 2	MDR-A	62		
		ESRS 1	MDR-T	81		
		ESRS 2	MDR-T	81(a-b)		
		ESRS 2	MDR-T	81(b)(i-ii)		
		E1	E1-2	25	AR 16-AR18	
		E1	E1-3	28		
		E1	E1-4	32-33		
		E1	E1-4	34e,16a	AR 26	
		E1	E1-4	81		
		E2	E2.IRO-1		AR 9	
		E2	E2-2	18-19		
		E2	E2-3	22	AR 19	
		E2	E2-3	25		
		ESRS 2		81		
		E3	E3-2	17	AR 19 - AR 21	
		ESRS 2		62		
		E3	E3-3	22		
		ESRS 2		81		
		E5	IRO-1	AR 7 a		
		ESRS 2		62		
		E5	E5-2	19		

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Material topics						
GRI 3: Material Topics 2021	3-3 Management of material topics	S1	SBM-3	14(b-c)		23 - 33
		S1	S1-1	20(c)		
		S1	S1-1	22		
		S1	S1-1	24(a)		
		S1	S1-1	24(d)		
		S1	S1-2	27	AR 21, AR 23-24	
		S1	S1-2	29		
		S1	S1-3	34		
		S1	S1-4	37		
		S1	S1-4	38(a-d)	AR 38-AR 39, AR 42	
		S1	S1-4	39	AR 34	
		S1	S1-4	43		
		S1	S1-4		AR 33(a-d)	
		S1	S1-4		AR 35	
		S1	S1-4		AR 40 a	
		S1	S1-4		AR 48	
		S1	S1-5	46	AR 50-AR52	
		S1	S1-5	47(b-c)		
		S1	S1-5		AR 49(c)	
		S1	S1-17	104(a)	AR 105	
		S2	SBM-3	11(c-d)		
		S2	S2-1	17(c)		
		S2	S2-1	18		
		S2	S2-2	22	AR 20	
		S2	S2-2	24		
		S2	S2-3	29		
		S2	S2-4	32(a-d)	AR 33- AR 35, AR 38-AR39	
		S2	S2-4	33(a-b)	AR 29	
		S2	S2-4	36		
		S2	S2-4	38		
		S2	S2-4		AR 28(a-d), AR 39	
		S2	S2-4		AR 30	

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Material topics						
GRI 3: Material Topics 2021	3-3 Management of material topics	S2	S2-4		AR 36(a)	23 - 33
		S2	S2-4		AR 44	
		S2	S2-5	41	AR 46-AR 48	
		S2	S2-5	42(b-c)		
		S2	S2-5		AR 45(c)	
		S3	SBM-3	9(b-c)		
		S3	S3-1	15		
		S3	S3-1	16(c)		
		S3	S3-2	21	AR 16	
		S3	S3-3	29		
		S3	S3-4	32(a-d)	AR 28-29, AR 31-AR-33, AR 36-AR 37	
		S3	S3-4	33(a-b)	AR 26	
		S3	S3-4	35	AR 30	
		S3	S3-4	36		
		S3	S3-4	38		
		S3	S3-4		AR 25(a-d)	
		S3	S3-4		AR 27	
		S3	S3-4		AR 34(a)	
		S3	S3-4		AR 37	
		S3	S3-4		AR 43	
		S3	S3-5	41	AR 45-AR 47	
		S3	S3-5	42(b-c)		
		S3	S3-5		AR 44 c	
		S4	SBM-3	10(b-c)		
		S4	S4-1	16(c)		
		S4	S4-2	20	AR 17	
		S4	S4-2	22		
		S4	S4-3	27		
		S4	S4-4	31(a-d)	AR 30- AR 32, AR 35-AR 36	
		S4	S4-4	32(a-b)	AR 26	

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Material topics						
GRI 3: Material Topics 2021	3-3 Management of material topics	S4	S4-4	35		23 - 33
		S4	S4-4	37		
		S4	S4-4		AR 25(a-d)	
		S4	S4-4		AR 27	
		S4	S4-4		AR 33(a)	
		S4	S4-4		AR 41	
		S4	S4-5	41	AR 43-AR 45	
		S4	S4-5	41(b-c)		
		S4	S4-5	AR 42 c	AR 42(c)	
		G1	G1-2	15(a)	AR2- AR 3	
		G1	G1-3	18(a)	AR 5-AR 6	
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	ESRS 2	SBM-1	40(b)	AR 12- AR 13	Koç Holding Annual Report 2024 p: 22 - 23, 212
		E1	E1-6		AR 55	
	201-2 Financial implications and other risks and opportunities due to climate change	ESRS 2	SBM-3	48(a)		79 - 99
		ESRS 2	SBM-3	48(d-e)		
		E1	E1.SBM-3	18		
		E1	E1-3	28		
		E1	E1-9	66(a)	AR 70	
		E1	E1-9	67(a)		
		E1	E1-9	69(a)	AR 80	
	201-3 Defined benefit plan obligations and other retirement plans					Koç Holding Annual Report 2024 p: 244, 285
	201-4 Financial assistance received from government					Koç Holding Annual Report 2024 p: 247, 301
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics					140 - 145
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	G1	G1-3	18(a)	AR 5-AR 6	142 - 143
		G1	G1-3	20		
		G1	G1-3	21(a-c)	AR 4	
		G1	G1-3	AR 7	AR 7 - AR 8	
		G1	G1-4	25(a-d)		

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics					100 - 110
GRI 302: Energy 2016	302-1 Energy consumption within the organization	E1	E1-5	37	AR 35	101 - 102, 170
		E1	E1-5	37a	AR 33	
		E1	E1-5	37b		
		E1	E1-5	37c		
		E1	E1-5	37ci		
		E1	E1-5	37cii		
		E1	E1-5	37ciii		
		E1	E1-5	38a	AR 33	
		E1	E1-5	38b	AR 33	
		E1	E1-5	38c	AR 33	
		E1	E1-5	38d	AR 33	
		E1	E1-5	38e	AR 33	
	302-4 Reduction of energy consumption					101 - 102
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics					119 - 123
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	ESRS 2	SBM-3	48 a		119 - 123
		ESRS 2	SBM-3	48 c iv		
		E3	IRO-1	8 a)	AR 1- AR 15	
		E3	E3-2	AR20	AR 19-AR 21	
		E3	E3-3	24	AR 22	
		E3	E3-3	25		
	303-3 Water withdrawal	E3	E3-4	AR 32		123, 169
	303-4 Water discharge	E3	E3-4	AR 32		123, 169
	303-5 Water consumption	E3	E3-4	28 a		123, 169
		E3	E3-4	28 b	AR 28	
		E3	E3-4	28 d		
		E3	E3-4	28 e	AR 29	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	E1	E1-7	56 a-b	AR 56 - AR 57	100 - 118
		E1	E1-7	58	AR 56	
		E1	E1-7	58a		
		E1	E1-7	59a		
		E1	E1-7		AR 61	
		E1	E1-7		AR 62b	
		E1	E1-7	61		
		E1	E1-7	61 a-c		

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Emissions						
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	E1	E1-4	34c		101, 169
		E1	E1-6	44	AR 39	
		E1	E1-6	AR 41		
		E1	E1-6	48 a	AR 43	
		E1	E1-6	44+52	AR 47	
		E1	E1-6	44+52a	AR 47	
		E1	E1-6	44+52b	AR 47	
		E1	E1-6	52 a)	AR 47	
		E1	E1-6	52 b)	AR 47	
		E1	E1-6	AR 39b		
		E1	E1-6	AR 43c		
	305-2 Energy indirect (Scope 2) GHG emissions	E1	E1-4	34c		101, 169
		E1	E1-6	44	AR 39	
		E1	E1-6	AR 41		
		E1	E1-6	49 a	AR 45	
		E1	E1-6	49 b	AR 45	
		E1	E1-6	44+52	AR 47	
		E1	E1-6	44+52a	AR 47	
		E1	E1-6	44+52b	AR 47	
		E1	E1-6	52 a)	AR 47	
		E1	E1-6	52 b)	AR 47	
		E1	E1-6	AR 39b		
	305-3 Other indirect (Scope 3) GHG emissions	E1	E1-4	34c		169
		E1	E1-6	44	AR 39	
		E1	E1-6	AR 41		
		E1	E1-6	AR 46 d		
		E1	E1-6	51	AR 46	
		E1	E1-6	44+52	AR 47	
		E1	E1-6	44+52a	AR 47	
		E1	E1-6	44+52b	AR 47	
		E1	E1-6	52 a)	AR 47	
		E1	E1-6	52 b)	AR 47	
		E1	E1-6	AR 39b		
		E1	E1-6	AR 46i		
		E1	E1-6	AR 46i		
		E1	E1-6	AR 46j		

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Emissions						
GRI 305: Emissions 2016	305-4 GHG emissions intensity	E1	E1-6	53	AR 53	101, 169
	305-5 Reduction of GHG emissions	E1	E1-3	29b		100 - 101, 169
		E1	E1-4	34a + 34 b		
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics					124 - 130
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESRS 2	SBM-3	48 a		124 - 126, 129 - 130
		ESRS 2	SBM-3	48 c ii		
		ESRS 2	SBM-3	48 c iv		
		E5	IRO-1	AR 7 f		
		E5	E5-4	30	AR 21	
		E5	E5-4	32	AR 24	
	306-2 Management of significant waste-related impacts	E5	E5-2	19		124 - 126, 129 - 130
		E5	E5-2	20b		
		E5	E5-2	20c		
		E5	E5-2	20e	AR 13	
		E5	E5-2	20f		
		E5	E5-2	AR 11		
		E5	E5-2	AR 12 a		
		E5	E5-5	36b		
		E5	E5-5	40	AR 33	
		E5	E5-5	AR 28		
	306-3 Waste generated	E5	E5-5	37 a		129 - 130, 170 - 171
		E5	E5-5	38		
		E5	E5-5	38 a		
		E5	E5-5	38 b		
		E5	E5-5	39		
		E5	E5-5	39		
		E5	E5-5	40	AR 33	
	306-4 Bertaraftan uzaklaştırılan atık	E5	E5-5	37 b		129 - 130, 170 - 171
		E5	E5-5	37b(i)		
		E5	E5-5	37b(ii)		
		E5	E5-5	37b(iii)	AR 31	
		E5	E5-5	37b		
		E5	E5-5	37b(i)		
		E5	E5-5	37b(ii)		
		E5	E5-5	37b(iii)	AR 31	

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Waste						
GRI 306: Waste 2020	306-4 Bertaraftan uzaklaştırılan atık	E5	E5-5	38		129 - 130, 170 - 171
		E5	E5-5	38 a		
		E5	E5-5	38 b		
		E5	E5-5	40	AR 33	
	306-5 Waste directed to disposal	E5	E5-5	37 c		129 - 130, 170 - 171
		E5	E5-5	37 c(i)		
		E5	E5-5	37 c(ii)		
		E5	E5-5	37 c(iii)	AR 32	
		E5	E5-5	37 c		
		E5	E5-5	37 c(i)		
		E5	E5-5	37 c(ii)		
		E5	E5-5	37 c(iii)	AR 32	
		E5	E5-5	38		
		E5	E5-5	38 a		
		E5	E5-5	38 b		
		E5	E5-5	40	AR 33	
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics					42 - 45
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	G1	G1-2	15 b	AR2- AR 3	168
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics					48 - 60
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	S1	S1-6	50c	AR 59	166
	401-3 Parental leave	S1	S1-15	93 a	AR 96-AR 97	167
		S1	S1-15	93 b		
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics					61
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	S1	S1-1	23		61
	403-2 Hazard identification, risk assessment, and incident investigation	S1	S1-3	32b	AR 28	167
		S1	S1-3	33		
	403-5 Worker training on occupational health and safety					167
	403-6 Promotion of worker health					61
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	S2	S2-4	32 a	AR 38	61
	403-9 Work-related injuries	S1	S1-4	38a	AR 42	167
		S1	S1-14	88b	AR 89-91	
		S1	S1-14	88c		
		S1	S1-14	88e	AR 89-91, AR 95	

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	S1	S1-14	89		167
		S1	S1-14	AR 82		
	403-10 Work-related ill health	S1	S1-4	38a	AR 42	167
		S1	S1-14	88b	AR 89-91	
		S1	S1-14	88d		
		S1	S1-14	89		
		S1	S1-14	AR 82		
		S1	S1-14	AR 94		
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics					52 - 56
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	S1	S1-13	83 b	AR 78	48, 166
		S1	S1-13	84	AR 79	
	404-2 Programs for upgrading employee skills and transition assistance programs	S1	S1-1	AR 17 h)		52 - 56
	404-3 Percentage of employees receiving regular performance and career development reviews	S1	S1-13	83 a	AR 77	167
		S1	S1-13	84	AR 79	
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics					59 - 60
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESRS 2	GOV-1	21 d		59 - 60, 166 - 167
		S1	S1-6	50a		
		S1	S1-9	66a		
		S1	S1-9	66b		
		S1	S1-12	79		
	405-2 Ratio of basic salary and remuneration of women to men	S1	S1-16	97 a	AR 98 AR 99 AR 100	166
		S1	S1-16	98		

GRI and ESRS Interoperability Index

GRI Standard	Disclosure	ESRS	DR	Paragraph	Related AR	Location/ Page No, Source and/or Direct Answers
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics					142 - 145
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	S1	S1-16	98		143
		S1	S1-17	AR 103		
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	S3	S3-4	AR 43		136
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	S3	S3-4	AR 34 c)		136 - 139
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics					42 - 45
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	G1	G1-2	15 b	AR2- AR 3	168
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics					143
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	S4	S4-3	26	AR 23	143
		S4	S4-4	35		

Our commitment to the Stakeholder Capitalism Metrics

In January 2021, Koç Holding became one of the initial endorsing companies of the Stakeholder Capitalism Metrics published by the International Business Council of the World Economic Forum.

As part of our commitment to promote transparent and comparable reporting, we are including a list of our disclosures based on the Stakeholder Capitalism Metrics "core" option.

Principles of Governance			
Theme	**Core Metrics and Disclosure**	**Description**	**Reference(s)**
Governing purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Our Manifesto, page 8
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or nonexecutive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Sustainability Governance, page 12 Koç Holding Annual Report, Corporate Governance Compliance Report, page 340
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Materiality Assesment, page 23
Ethical behaviour	Anti-corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Sustainability Foundations, Ethics and Compliance, page 143
	Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Sustainability Foundations, Ethics and Compliance, page 143
Risk and opportunity oversight	Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Act for the Planet. Together, Low-carbon Transition, page 69 Grow the Business. Together, Cybersecurity as an Emerging Risk, 38

Our commitment to the Stakeholder Capitalism Metrics

Planet			
Theme	**Core Metrics and Disclosure**	**Description**	**Reference(s)**
Climate change	Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Environmental Performance Indicators, page 170
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Act for the Planet. Together, Climate-related Risks and Opportunities, page 73
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Environmental Performance Indicators, page 170

Our commitment to the Stakeholder Capitalism Metrics

People			
Theme	**Core Metrics and Disclosure**	**Description**	**Reference(s)**
Dignity and equality	Diversity and inclusion	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Empower people. Together, Koç Group Employees in 2024, page 48 Empower people. Together, Diversity and Inclusion, page 59 Social Performance Indicators, page 167
	Pay equality	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Empower people. Together, Diversity and Inclusion, page 59
	Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Sustainability Foundations, Human Rights, page 145
Health and well-being	Health and safety	1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Empower people. Together, Occupational Health and Safety, page 61 Social Performance Indicators, page 167
Skills for the future	Training provided	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Empower people. Together, page 46

Our commitment to the Stakeholder Capitalism Metrics

Prosperity			
Theme	**Core Metrics and Disclosure**	**Description**	**Reference(s)**
Employment and wealth generation	Absolute number and rate of employment	Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Social Performance Indicators, page 167
	Economic contribution	1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: • Revenues • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Koç Holding Annual Report, page 22-23, 212
	Financial investment contribution	Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Koç Holding Annual Report, page 2-5
Innovation of better products and services	Total R&D expenses	Total costs related to research and development.	Grow the Business. Together, Innovation, page 34
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Koç Holding Annual Report, page 282

Appendix 3: Koç Holding Consolidation Scope

CONSOLIDATED SUBSIDIARIES
Name of Entity
Koç Holding A.Ş.
Entek Elektrik Üretimi A.Ş.
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.
Enspire Enerji Yatırımları ve Hizmetleri A.Ş.
Esinti Enerji Üretim Ticaret ve Sanayi Anonim Şirketi
Enkar Doğal Enerji Sanayi ve Ticaret Anonim Şirketi
Arçelik A.Ş.
Beko B.V.
Beko B.V. Taiwan
Beko A and NZ Pty Ltd.
Beko Appliances Indonesia, PT
Beko Appliances Malaysia SDN BHD
Beko Balkans D.O.O. Beograd
Beko Cesko
Beko Grundig Deutschland GmbH
Beko Egypt Trading LLC
Beko Electronics Espãna S.L.
Beko France S.A.S.
Beko Hong Kong Ltd.
Beko Italy SRL
Beko Llc
Beko Plc.
Beko Shanghai Trading Company Ltd.
Beko Slovakia S.R.O.
Beko S.A.
Beko S.A. Czech Republic
Beko Thai Co., Ltd.
Beko Ukraine
Beko US Inc.
Changzhou Beko Electrical Appliances Co. Ltd.
Defy Appliances Proprietary Limited
Defy Botswana Proprietary Limited
Defy Namibia Proprietary Limited
Defy Swaziland Proprietary Limited
Beko Grundig Österreich AG
Grundig Intermedia Ges.m.b.H
Grundig Multimedia A.G.
Beko Nordic AB
Beko Nordic AS
Beko Romania SA
Vietbeko Limited Liability Company
DEL Electronics (Pvt.) Ltd.
United Refrigeration Industries Ltd
Pan Asia Private Equity Ltd
Dawlance (Private) Ltd.
Arçelik Pazarlama A.Ş.
Beko Gulf FZE
Arch R&D Co., Ltd.
Beko Israel Household Appliances Ltd.
Retail Holdings Bhold B.V.
Singer Bangladesh Limited
Beko Morocco Household Appliances SARL
Beko Pilipinas Corporation
Beko APAC IBC Co.
Beko Central Asia LLC
PT Home Appliances Indonesia
Beko Grundig Schweiz GmbH
Beko Home Appliances Portugal
Arçelik Üretim ve Teknoloji A.Ş.
Arçelik Hitachi Home Appliances B.V.
Arçelik Hitachi Home Appliances (Shanghai) Co., Ltd.
Arçelik Hitachi Home Appliances Sales (China) Ltd.
Arçelik Hitachi Home Appliances Sales Hong Kong Limited
Arçelik Hitachi Taiwan Home Appliances Sales Ltd.
Arçelik Hitachi Home Appliances (Thailand) Ltd.
Arçelik Hitachi Home Appliances Sales (Thailand) Ltd.
Arçelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd.
Arçelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd
Arçelik Hitachi Home Appliances Sales Vietnam Co., Ltd.
PT Arçelik Hitachi Home Appliances Sales Indonesia
Arçelik Hitachi Home Appliances Sales Middle East Fze
Defy Sales East Africa Limited
Arçelik Hitachi Home Appliances IBC Co. Ltd.
Beko Croatia d.o.o
Beko Azerbaycan
Beko Hungary Kft
Beko Egypt Home Appliances Industries LLC
Beko Greece SMSA
IHP Appliances Sales LLC
IHP Appliances JSC
IHP Kazakhstan LLP
Arcwaste Collection SRL
Beko Belgium N.V.
Beko Netherlands N.V.
Beko Algeria EURL
Beko Europe B.V.
Beko Maghreb Sarl
Beko Gulf DMCC
Beko Europe Austria GmbH
European Appliances Belgium N.V.
Beko Europe Bulgaria EOOD
European Appliances Croatia d.o.o.
European Appliances Czech Spol. S.R.O.
Beko Europe Denmark A/S
Beko Europe Estonia OÜ
European Appliances Finland OY
European Appliances France Holdings SAS
European Appliances France SAS
Bauknecht Hausgeräte GmbH
IRE Beteiligungs GmbH
European Appliances Greece SA
European Appliances Hungary KFT
Hotpoint Ireland Ltd
Beko Italy Manufacturing SRL
European Appliances Italy SRL
Beko Europe Management SRL
Beko Europe R&D SRL
Beko Europe Latvia SIA
Beko Europe Lithuania UAB
Beko Europe Holdings BV
European Appliances Netherlands B.V.
European Appliances Norway AS
Beko Poland Manufacturing Sp.Z O.O.
European Appliances Poland Sp. Z O.O.
Beko Europe Iberia, S.A.
European Appliances Romania SRL
European Appliances Balkans d.o.o. Beograd
European Appliances Slovakia Spol. S R.O.
Beko Manufacturing Slovakia Spol. S R.O.
European Home Appliances Spain S.A.
European Appliances Nordic AB
Bauknecht AG
Indesit Company International Business SA
European Appliances Ukraine LLC
General Domestic Appliances Holdings Ltd
Indesit Company UK Holdings LTD
Hotpoint UK Appliances Limited
Beko Canada Inc.
BEKO AE LLC
Beko Bangladesh B.V.
Aygaz A.Ş.
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.
Anadoluhisarı Tankercilik A.Ş.
Kandilli Tankercilik A.Ş.
Kuleli Tankercilik A.Ş.
Bal Kaynak Su İhracat İthalat San. ve Tic. A.Ş.
Bebek Shipping S.A
Kuzguncuk Tankercilik A.Ş.
Aygaz Doğal Gaz İletim A.Ş.
Aygaz Doğal Gaz Toptan Satış A.Ş.
Bilkom Bilişim Hizmetleri A.Ş.
Life Tech Trading DMCC
Divan Turizm İşletmeleri A.Ş.
Düzey Tüketim Malları Sanayi Pazarlama A.Ş.

Appendix 3: Koç Holding Consolidation Scope

CONSOLIDATED SUBSIDIARIES – CONTINUED
Name of Entity
Enerji Yatırımları A.Ş.
Türkiye Petrol Rafinerileri A.Ş.
Ditaş Deniz İşletmeciliği ve Tic. A.Ş.
T Damla Denizcilik A.Ş.
Üsküdar Tankercilik A.Ş.
Kadıköy Tankercilik A.Ş.
Beykoz Tankercilik A.Ş.
Sarıyer Tankercilik A.Ş.
Maltepe Tankercilik A.Ş.
Kartal Tankercilik A.Ş.
Karşıyaka Tankercilik A.Ş
Salacak Tankercilik A.Ş
Bakırköy Tankercilik A.Ş.
Çengelköy Tankercilik A.Ş.
Karaköy Tankercilik A.Ş.
Pendik Tankercilik A.Ş.
Tuzla Tankercilik A.Ş.
Göztepe Tankercilik A.Ş
Kuruçeşme Tankercilik A.Ş.
Balat Tankercilik A.Ş.
Tarabya Tankercilik A.Ş.
Florya Tankercilik A.Ş.
Adalar Tankercilik A.Ş.
Körfez Ulaştırma A.Ş.
Tüpraş Trading Ltd.
Tüpraş Enerji Girişimleri A.Ş.
Entegart Teknoloji Çözüm ve Hizmetleri A.Ş.
Koç Finansal Hizmetler A.Ş.
Yapı ve Kredi Bankası A.Ş.
Yapı Kredi Finansal Kiralama A.O.
Yapı Kredi Yatırım Menkul Değerler A.Ş.
Yapı Kredi Portföy Yönetimi A.Ş.
Yapı Kredi Bank Nederland N.V.
Stiching Custody Services YKB
Yapı Kredi Holding B.V.
Yapı Kredi Azerbaijan C.J.S.C.
Yapı Kredi Diversified Payment Rights Finance Company
Yapı Kredi Faktoring A.Ş.
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.
Koç Sistem Azerbaycan Ltd.
KoçDigital Çözümler A.Ş.
Koç Bilgi ve Savunma Teknolojileri A.Ş.
Koç Finansman A.Ş.
KF Sigorta Aracılık Hizmetleri A.Ş.
Koç Yapı Malzemeleri Ticaret A.Ş.
Marmaris Altınyunus Turistik Tesisleri A.Ş.
Otokar Otomotiv ve Savunma Sanayi A.Ş.
Otokar Europe SAS
Otokar Europe Filiala Bucuresti S.R.L.
Otokar Italia SRL
Otokar Land Systems Limited
Otokoç Otomotiv Tic. ve San. A.Ş.
Otokoç Sigorta Aracılık Hizmetleri A.Ş.
Otokoç Azerbaijan MMC
Otokoç Hungary Rent a Car and Servicing LLC
Otokoç Kazakistan LLP
Otokoç ABG Holland BV
Olympic Commercial and Tourist Enterprises S.A.
Ram Dış Ticaret A.Ş.
RMK Marine Gemi Yapım Sanayi ve Deniz Taş. İşl. A.Ş.
Setur Servis Turistik A.Ş.
Select Tours AT
Setur GMBH
Tek-Art Kalamış ve Fenerbahçe Marmara Turizm Tesisleri A.Ş.
Setur Antalya Marina İşletmeciliği A.Ş.
Ayvalık Marina ve Yat İşletmeciliği San. ve Tic. A.Ş.
Setur Yalova Marina İşletmeciliği A.Ş.
Zer Merkezi Hizmetler ve Ticaret A.Ş.
Token Finansal Teknolojiler A.Ş.
Token Ödeme Hizmetleri ve Elektronik Para A.Ş.
Token International Holdings B.V.
Token Payment Services S.R.L.
Token Azerbaycan
Koç Investments B.V.
Wat Motor San. ve Tic. A.Ş.
Koç Medical B.V.
Bıçakcılar Global Tıbbi Ürünler Sanayi ve Ticaret A.Ş.
Kemer Medical Center Özel Sağlık Hizmetleri Tur. ve Tic. A.Ş.
Intumo Therapeutics, Inc.
Stembio Kök Hücre Teknolojileri A.Ş.
Wat Mobilite Çözümleri Teknoloji ve Ticaret A.Ş.
JOINT VENTURES
Voltbek Home Appliances Private Limited
Arçelik-LG Klima San. ve Tic. A.Ş.
Sendeo Dağıtım Hizmetleri A.Ş.
United Aygaz LPG Ltd
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Allianz Yaşam ve Emeklilik A.Ş
Koçtaş Yapı Marketleri Ticaret A.Ş.
Opet Petrolcülük A.Ş.
Opet Trade B.V.
Opet International Limited
Tasfiye Halinde Opet Trade Singapore Pte. Ltd.
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş.
THY Opet Havacılık Yakıtları A.Ş.
Kuzey Tankercilik A.Ş.
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Demre 7 Tankercilik A.Ş.
Demre 8 Tankercilik A.Ş.
Vice 2 Tankercilik A.Ş.
AL Jasoor Heavy Vehicle Industry L.L.C
Makmarin Kaş Marina İşletmeciliği Turizm ve Ticaret A.Ş.
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