

## **KOÇ HOLDING LAUNCHES THE “CARBON TRANSITION PROGRAM” IN LINE WITH ITS GOAL TO BECOME CARBON NEUTRAL BY 2050**

**Koç Holding launched the Carbon Transition Program, which puts forth the well-defined and feasible steps to be taken for combatting the climate crisis and becoming carbon neutral by 2050. In discussing how this program has been an integral part of the cultural transformation happening across Koç Group, Koç Holding CEO Levent Çakıroğlu said: "We started our Cultural Transition Program back in 2016 with digital transformation, followed by significant initiatives, such as innovation, intrapreneurship, zero-based budgeting, agile management and HR development; and we are now enriching this list by adding carbon transition. The climate crisis remains one of the biggest sustainability risks in the business world, which is why we are very pleased with Turkey’s ratification of the Paris Agreement. As in all global issues, the private sector must take responsibility as a solution partner in the face of this challenge. With our Carbon Transition Program, we aim to transform our business models, products and services to best respond to the expectations of consumers, investors and employees, and at the same time, manage risks with a realistic approach. I have the utmost confidence that we will achieve our goals step by step and demonstrate our pioneering role in this issue on a global scale with determination and courage."**

**Koç Holding Corporate Communications and External Affairs Director Oya Ünlü Kızıl said: "Koç Group has successfully carried out many large-scale projects focused on society and the environment; but the 'Carbon Transition Program' looks much further ahead, and in terms of its impact and scale, it is the biggest one yet," adding "Carbon transition is currently at the top of the global agenda; it greatly concerns each of our industries and brings along important responsibilities. As on many other issues, Koç Group will once again lead Turkey’s private sector. I also believe that by working with determination and taking concrete steps, we will set an example with our sustainability performance, both on national and global scale."**

Koç Holding is preparing to mobilize its Group companies and the ecosystem for combatting the climate crisis and transitioning to a low-carbon economy. Aiming to become carbon-neutral by 2050, Koç Holding launched the Carbon Transition Program that includes a well-defined and feasible roadmap.

Intended to accelerate the steps taken by Koç Group companies to combat the climate crisis, the program was launched at an online event hosted by Koç Holding CEO Levent Çakıroğlu. The event was attended by senior executives of Koç Group Companies. Koç Holding Corporate Communications and External Affairs Director Oya Ünlü Kızıl spoke about the climate crisis and its impact on the sustainability agenda, while Koç Holding Sustainability Coordinator Ebru Bakkaloğlu Tüzecan shared the action plan for the "Carbon Transition Program."

**Levent Çakırođlu: "The climate crisis is an urgent matter that requires the cooperation of the private sector, the public and NGOs."**

Speaking at the event session "Koç Group's Goal and Roadmap to Become Carbon Neutral by 2050," Koç Holding CEO Levent Çakırođlu pointed out that the climate crisis remains one of the biggest sustainability risks in the business world, and he continued: "We are very pleased with our country's ratification of the Paris Agreement. As in all global issues, the private sector must take responsibility as a solution partner in the face of this challenge. The climate crisis is an urgent matter that requires the cooperation of the private sector, the public and NGOs. This summer, we all witnessed the increasing impact of the climate crisis first-hand. Various disasters, like forest fires, floods and hurricanes, raged not only across Turkey but throughout the world. The Intergovernmental Panel on Climate Change, one of the world's most respected scientific bodies, published its Sixth Assessment Report in the midst of these global climate disasters. The report emphasizes that a quick and robust economic transformation is required to achieve the goal of limiting global warming to 1.5 degrees, as per the Paris Agreement. This alone demonstrates the importance of the Carbon Transition Program and how timely and accurately we have launched our program."

**Levent Çakırođlu: "This initiative marks an important contribution to the recently-accelerated global climate action and therefore, to the future of our world."**

Levent Çakırođlu continued: "From the time of our establishment, we have strived to adopt a people-oriented approach while protecting our world and society. Most importantly, we aim to strengthen, change and transform our business model to achieve better sustainability and competitive advantage. I have previously mentioned that the climate crisis remains one of the biggest sustainability risks in the business world. Regulations such as the Carbon Border Tax, the increasing pressure from investors and the demands of consumers and employees alike, are causing companies to have difficulties in transitioning to a low-carbon economy. There are also physical risks brought along by the natural disasters caused by the climate crisis. As I have emphasized on several occasions, we aim to transform our business models, products and services to best respond to the expectations of consumers, investors and employees and at the same time, manage these risks with a realistic approach. I believe we will create competitive advantage by integrating these efforts into our business model. Sustainability has always been on our radar, but the Carbon Transition Program has allowed us to tackle this issue in a much more systematic and ambitious manner."

**Levent Çakırođlu: "We will carry out the Carbon Transition Program in three main stages."**

In explaining that they would carry out the Carbon Transition Program in three main stages, Levent Çakırođlu said: "The first stage consists of analyzing climate-related risks and opportunities and basing our action plans on the revealed output. Accordingly, we have taken one of our biggest steps in transitioning to a low-carbon economy by taking part in the 'Task Force on Climate-related Financial Disclosures (TCFD),' a platform that brings together the world's leading organizations whose aim is to reach net-zero emissions. The second stage of our roadmap consists of setting the targets of Group companies in line with our commitment to become carbon neutral by 2050. The third and last stage of our roadmap consists of

monitoring global and national climate policies and practices, especially the European Green Deal."

**Oya Ünlü Kızıl: "We will implement structural measures and changes to combat the climate crisis."**

Koç Holding Corporate Communications and External Affairs Director Oya Ünlü Kızıl started her speech by saying, "Koç Group has successfully carried out many large-scale projects focused on society and the environment; but the Carbon Transition Program looks much further ahead, and in terms of its impact and scale, it is the biggest one yet."

Pointing out that the climate crisis is an existential threat to our planet, Oya Ünlü Kızıl said: "Whether we take action or not will determine not only the future of our business, but also the future of humanity. As Koç Group, we will implement structural measures and changes to combat the climate crisis," adding, "Recent scientific developments have shown that even the goal of keeping global warming below 2 degrees, which was set by the Paris Agreement in order to avoid the irreversible effects of the climate crisis, is now insufficient. The world is now looking for ways to limit global warming to 1.5 degrees, while governments are rapidly passing the required legislation and regulations to make these goals achievable. The private sector can no longer remain indifferent to this crisis either. With Turkey's ratification of the Paris Agreement, the subsequent action plans, the supporting legislation, the incentives and the financing opportunities to be provided in line with the country's 2053 net zero goal will definitely speed up the process. This issue has become increasingly important for governments and investors alike. Investors question the environmental, social and governance (ESG) performances of companies as much as their financial results. Companies failing to improve their ESG performance run the risk of losing their investors in the near future. Actually, all these developments are directly aligned with our understanding of 'growing by creating value for all stakeholders,' which forms the foundation our 'Lead Together' sustainability strategy. This goes to show that our pioneering role in this new chapter is already in full motion."

**Oya Ünlü Kızıl: "Carbon transition greatly concerns each of our industries and brings along important responsibilities."**

Highlighting that Koç Group operates in many different industries, from the automotive and white goods to energy and finance, Oya Ünlü Kızıl said: "Carbon transition is currently at the top of the global agenda; it greatly concerns each of our industries and brings along important responsibilities. Though the actions may differ, all our companies have major spheres of influence on their path to a low-carbon economy. As in many other issues, Koç Group will once again lead Turkey's private sector. I also believe that by working with determination and taking concrete steps, we will set an example with our sustainability performance, both on national and global scale."